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Review and appraisal of progress made in the implementation of the Habitat Agenda

Report of the Executive Director of the United Nations Centre for Human Settlements on the review and appraisal of progress made in the implementation of the Habitat Agenda

Note by the Secretary-General

At its first session, the Commission on Human Settlements acting as the preparatory committee for the special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) decided to consider at its second session a draft report on the overall review and appraisal of the implementation of the Habitat Agenda, to be based on information contained in national reports and information obtained from the five regional preparatory meetings. The draft report submitted by the Executive Director of the United Nations Centre for Human Settlements (Habitat) on 15 December 2000 described opportunities for local response to local situations and needs in the context of globalization, regional prospects and policy implications for sustainable human settlements development and local and global policies, and addressed the questions of constraints, priorities, strengthening of local authorities and the role of the United Nations system. It was submitted to the Commission acting as the preparatory committee for comments in order to enable the Executive Director of Habitat to prepare a final document reviewing progress and obstacles in the implementation of the Habitat Agenda since 1996. The Secretary-General has the honour to transmit to the General Assembly the final report, which has been revised to incorporate inputs from the Commission acting as the preparatory committee at its second session and additional information from national reports. It constitutes the report of the Executive Director of Habitat on the implementation of the twin goals of the Habitat Agenda, namely, adequate shelter for all and sustainable human settlements development, as well as on the actions and achievements of the Global Campaign for Secure Tenure and the Global Campaign for Urban Governance, as called for by the General Assembly in its resolution 55/194.

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Introduction

1. At its first session, in May 2000, the Commission on Human Settlements acting as the preparatory committee for the special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) decided to consider at its second session a draft report on the overall review and appraisal of the implementation of the Habitat Agenda. While the Commission acting as the preparatory committee did not issue specific instructions on the structure and content of the draft report, discussions favoured the orientation of the report of the Secretary-General concerning the modalities for the special session (A/53/267), which the General Assembly noted with appreciation in its resolution 53/180. In section II of that report, which covered the scope and substantive aspects of the special session and its preparatory process, the Secretary-General stated that based on progress reports from Governments and its own sources of information, the United Nations Centre for Human Settlements (Habitat) should prepare a global analysis of achievements and constraints to serve as a basis for review at the special session. Three features of the present report — its scope, profile and objectives — directly relate to the recommendations contained in the Secretary-General's report.

2. The scope of the present report is deliberately broad, emphasizing integration of the national and local dimensions of follow-up to Habitat II. The Secretary-General's report called for an assessment of actions taken at the regional level and by the regional commissions. Section II of the present report describes regional prospects based on the outcome of the five regional meetings held between September and November 2000 and a synthesis of region-wide policy implications. Section VI reviews the role of international cooperation and the activities of the United Nations system.

3. The profile suggested for the review in the Secretary-General's report was inclusive and stressed the Habitat Agenda's call for partnership among public, private, voluntary and community-based organizations, the cooperative sector and non-governmental organizations as essential to the achievement of sustainable human settlements and adequate shelter for all. The General Assembly has been asked to review at the special session the specific contributions of partners to implementing the Habitat Agenda at the national and local levels.

4. The emphasis in section II of the present report, on regional prospects and policy implications, describes proposed follow-up based on the partnership principle. In section III, on overcoming common obstacles, attention has been given to the factors that still undermine the broad application of the partnership principle as one of the strategic objectives of the Habitat Agenda.

5. The objective of the special session, repeatedly stressed by the General Assembly and the Commission acting as the preparatory committee, is not to renegotiate the Habitat Agenda but to document lessons learned in its implementation and to prepare recommendations for future action. The present report draws conclusions and inspiration for action from experience in implementing the Habitat Agenda. In addition, it deals with three important issues. Section I, on globalization and urbanization, places the implementation of the Habitat Agenda in the context of globalization, which has accelerated dramatically since Habitat II. The report also addresses, in section IV, the emerging priorities seen as fundamental

to the successful implementation of the Habitat Agenda and to meeting the needs of the poor: urban governance; housing rights; urban basic services; civil conflict and urban violence; and sustainable urbanization.

6. Special attention is given in section V to the leading partners in the Habitat Agenda implementation process — cities and local authorities. While the Istanbul Declaration on Human Settlements and the present review emphasize central/local government partnerships as a prerequisite for success, the appraisal process has reconfirmed that actions that actually improve the quality of life of people, particularly the poor, are ultimately forged and implemented at the local level. Consolidation of the partnership between Habitat, the United Nations system and local authorities is therefore essential.

7. The first draft of the present report was submitted to the Commission acting as the preparatory committee for consideration. The present final report takes into account the comments received as well as the general outcome of the second session of the Commission acting as the preparatory committee. It has also been amended in response to General Assembly resolution 55/194, in which the Assembly requested the Executive Director of Habitat to report to the special session on the implementation of the twin goals of the Habitat Agenda, namely, adequate shelter for all and sustainable human settlements development, as well as on the actions and achievements of the Global Campaign for Secure Tenure and the Global Campaign for Urban Governance, and in response to General Assembly resolution 55/195, in which the Assembly requested the Executive Director to report to the special session on the Cities Alliance initiative, including on its contribution to the implementation of the Habitat Agenda. Finally, the present report includes illustrative boxes which correspond to the 16 cases selected for presentation and discussion at the thematic committee of the special session. More detailed information on these 16 cases is available at the Habitat web site (www.unchs.org).

I. Globalization and urbanization

> "Globalization of the world economy presents opportunities and challenges for the development process as well as risks and uncertainties. In this context, international cooperation assumes added significance and importance in the wake of recent trends in the globalization of the world economy, on the one hand, and the continued deterioration of the plight of developing countries, on the other. Problems resulting from poverty, urbanization, lack of adequate shelter, including social housing, rapid population growth, rural-urban migration, economic stagnation and social instability are especially acute." (Habitat Agenda, para. 196)

A. The dawn of the urban age

8. The new millennium marks the dawn of the urban age. For the first time, the majority of the world's population will soon be living in areas classified as urban areas. This change is intimately linked to the course of human development and is the result of a long process. Since 1996, no significant changes have been detected in urbanization trends and projections in the world's regions. Although the population of industrialized countries is already largely urban, urbanization

processes are still acute in developing countries. Today, 40 per cent of the population of developing countries already lives in cities. By 2020, that figure will rise to 52 per cent. Many countries in Latin America and the Caribbean already have a 75 per cent urban population, while only one third of the population of Africa and Asia lives in urban areas. The greatest challenge will be in Africa and Asia, where a major demographic change is expected. By 2015, 153 of the world's 358 cities with more than one million inhabitants will be in Asia. Of the 27 megacities with more than 10 million inhabitants, 15 will be in Asia. Megacities with 20 or 30 million inhabitants, urban agglomerations of a size never known before in human history, are predicted.

9. The impact of urbanization varies greatly from region to region, from country to country and from city to city. Currently, three quarters of global population growth occurs in the urban areas of developing countries, causing hyper-growth in the cities least capable of adapting to that change. The current average annual population increase in developing country cities is estimated to be 64 million, a rate of 175,000 persons per day. Half of this increase is caused by natural population growth within these cities. Urbanization does not mirror the past growth of cities in the developed countries. Current urban growth and rural-urban shifts in developing countries occur in a context of far greater absolute population growth, at much lower income levels, in a context of weaker institutional and financial capacity and with considerably fewer opportunities for expansion abroad or beyond domestic frontiers. This urban transition is accompanied by a significant increase in urban poverty, disproportionately affecting women and children; ethnic and racial conflicts; homelessness; environmental deterioration; and marginalization of the poor, often expressed in social exclusion, intolerable living standards and spatial segregation. All of the above contribute directly or indirectly to increased social unrest and urban violence.

B. The urban archipelago and rural-urban linkages

10. As a result of fading distinctions between traditional political spheres and other components of society, human settlements and large cities, in particular, have become increasingly important in the global economy. In response to this change, a shift has taken place in attitudes towards urban governance; cities are now increasingly viewed as a product to be marketed at the regional and global scales. Information and communication technologies allow for internationalization of footloose investment funding, resulting in vast increases in the volume and speed of international capital flows of all types, ranging from foreign direct investment to short-term banking activities. In this environment, cities often have no option but to compete for these investments, exploiting whatever comparative advantages they may have, at times even to their own detriment. This development has created a downward spiral of increased subjugation of domestic, economic and social needs to international competitiveness; an often painful phase after the enormous socio-economic transformations that characterized the twentieth century.

11. Globalization has placed human settlements in a highly competitive framework of inter-city linkages and networks within a geographical context limited only by planetary boundaries. This new constellation of globally linked cities is sometimes referred to as the urban archipelago. It implies that a city may have more relations with some faraway place than with its hinterland and that such cities act as energy

nodes in a global force field. These are processes with considerable potential, and the urban strategies of many Governments are now gravitating towards providing an enabling environment for human settlements to compete on the international stage. Many cities now acknowledge that the current nature of funding flows and investment capital demand an international strategy over and above managing local issues. Since international investment is often driven by profit optimization through the identification of areas with lower labour costs, standards and regulations that are more favourable for business, this trend should be viewed with some caution.

12. Although the paradigm of the urban archipelago reflects real urban evolution at the global level, the relationships between rural and urban areas still include factors that do not necessarily depend on the international level. It is not simply the linkage to faraway places that defines the nature of the urban archipelago but rather individual cities' ability to make efficient use of newly available links to resources and markets offered by networks of cities. Cities cannot control all responses to global questions but should rather attempt to manage their own resources within a new global context, including traditional links with their hinterland. There remain considerable local economic factors (the symbiosis of rural primary production and urban secondary and tertiary activities), local demographic issues (migration and absorption of rural population surpluses), local environmental consequences (water and air) and local infrastructure matters (transport, energy and telecommunication) that still bind cities to their rural hinterland. In addition, the mobility of labour still lags far behind the mobility of capital, and traditional urban-rural linkages will, therefore, remain crucial in a host of mutually supportive functions.

C. The globalization/localization paradox: more global/more local

13. Globalization has caused the end of territorialism: the condition whereby socio-economic and political space is reducible solely to territorial coordinates. It has created an apparent paradox, whereby polity, the condition of civil order, is simultaneously becoming more global and more local. This concept highlights the notion that the economic and information features of globalization are penetrating even the remotest corners of the Earth and that all localities are now forced to participate in the new global reality, while, at the same time, local concerns increasingly become major social and political issues. Within this new trend, human settlements of all sizes have emerged as major new actors at the global and local levels. In many localities, people are overwhelmed by changes in their traditional cultural, spiritual and social values and norms and by the introduction of a cult of consumerism intrinsic to the process of globalization. Many localities have reacted by stressing their *own* identity, their *own* roots, their *own* culture and values and the importance of their *own* neighbourhood, area or town. In political terms, this has translated into demands, on the one hand, for political decentralization to deal more effectively with the impact of globalization at the local level and, on the other, to filter out undesirable benefits of internationalization. Through this process, begun in the past decade but markedly apparent since Habitat II, civil society has become important in recasting national and local politics as a third-sector actor, distinct from state and market, shaping policies, norms and social structures. As in the case of all transformation, some local areas deal better with these issues than others.

14. Despite these positive developments, the future of large and small settlements in the developing world looks very grim if they continue to develop in the

unstructured and unstable fashion that has characterized many of them until now. Cities in the developed world also face unprecedented problems of urban decay, ageing populations, widening gaps between poor and rich, layers of vested interests and large disparities between knowledge-based elites and under-educated urban populations. These problems cannot be left to civil society alone to deal with. They determine the need for a new, inclusive approach to local governance and present a great and inspiring challenge to central and local government. On a more positive note, the world is no longer only a community of states but also an increasingly borderless network of interconnected cities where power is being shared more evenly and where governance is becoming more democratic. Promising partnerships are evolving between the public sector, the private sector and civil society. There is a growing awareness of the needs and rights of women, the indivisibility of human rights, the need for participation and the urgency for wise social, economic and environmental stewardship. To address the globalization/localization paradox that has distinctly emerged since Habitat II, Governments and their partners will have to curb the obviously untenable present course of the global urban environment. To do so, the highly articulated goals and objectives of the extraordinary series of United Nations global conferences of the 1990s *must* remain the overriding development agenda of the international community.

D. Three typical cities

15. Cities worldwide vary and will continue to vary. Nevertheless, they all face fairly similar problems, and the emergence of one urban network will help unite cities in different countries and on different continents in overcoming common and fundamentally similar problems. On the basis of common urban issues, the 2000 *World Report on the Urban Future 21* recognized that cities worldwide largely fall into three categories of demographic/socio-economic evolution.

16. The first category is the informal hyper-growth city, characterized by very rapid population growth; an economy heavily dependent on the informal sector; widespread poverty and proliferation of informal housing areas; severe environmental and public health problems; and extreme social polarization. Into this group fall many cities in sub-Saharan Africa, South Asia and some of the poorer cities in Latin America.

17. The second category is the dynamic growth city, characterized by continuing rapid growth but with environmental problems linked with prosperity and decreasing possibilities for dealing with these problems. They often show stable population growth rates and have an ageing population. These are typically the cities in much of East Asia, Latin America and the Middle East.

18. The third category is the ageing mature city, characterized by stable or declining population, challenges caused by ageing and decreasing household sizes, slow economic growth, social polarization, urban congestion and pollution problems. These are typically the cities of Europe, North America, Japan, Australia and New Zealand.

19. The classification into three major categories is certainly an over-simplified model of the world's cities. It has also been argued that these three categories do not necessarily describe all cities and that aspects of all three can be found in most cities, notably social polarization and the concurrent phenomena of rapid population

growth and stagnant economic growth. Also, it would be naive to suggest that all cities are destined to follow an evolutionary process from informal hyper-growth to become ageing mature cities. As noted elsewhere in the present report with regard to locational factors, trend is not destiny. The urban challenge is precisely to strive for city models that encompass all the positive aspects of these three categories, while eliminating or discouraging the others.

E. Smaller world, wider world: the global divide

20. Globalization is not a new phenomenon.[1] What is new is the accelerating speed, scope, scale and complexity of global connections. First, these global connections function faster than ever before. Improved technologies enable much quicker transportation of people and goods and instantaneous transmission of information. Second, globalization operates on a much larger scale, leaving few people unaffected and making its influence felt in even the most remote places. Third, the scope of global connections is much broader and has multiple dimensions: economic, technological, political, legal, social and cultural, each with multiple facets.[2] The introduction of the Millennium Report states that globalization offers great opportunities, but at present its benefits are unevenly distributed while its costs are borne by all. Thus, the central challenge we face today is to ensure that globalization becomes a positive force for all the world's people, instead of leaving billions of them behind in squalor.

21. Indeed, in the short period of five years, the world has become a smaller and more comfortable place for some but a wider and more difficult place for many others. One can fly from London to Athens and back for $250, the equivalent of roughly 10 per cent of an average monthly salary in Western Europe. But in the average African city, it is common for workers to walk for hours and miles each day because a return bus fare can amount to more than half their daily wage and, therefore, is simply unaffordable. In many countries, housing prices have soared at rates well beyond inflation. This can make housing an attractive investment for those who can afford it but also makes this affordability gap prohibitive for growing numbers of people. This is "virtual distance" in the sense that decent and secure housing becomes more and more unattainable. But this also translates into physical remoteness, as young and lower-income citizens are forced to look for affordable housing located on the distant peripheries of cities. Often, initial lower costs are offset by the increased cost of transport and loss of valuable time and economic opportunity. This leads to a vicious cycle that hurts everybody — people first of all but also the economy and the environmental sustainability of cities in general. The distance between common people and adequate housing is becoming greater.

22. The price of computers has dropped dramatically in recent years, to the point where affluent families in all countries, developed and developing, have one or more in their home. But the purchase and operating costs of the same machines remain astronomically high for a rural school or hospital in a least developed country, where their potential, rather than for surfing the Internet and sending e-mail, could be used to save human lives and sharpen and broaden learning skills. This is just one example of the digital divide, which emphasizes the virtual distance in human and intellectual well-being and development between the haves and the have-nots. This happens at a time when the world's most prestigious development thinkers underline education as the key to lifting people out of exclusion and poverty. In addition, the

information technology revolution is powered by means invented more than a century ago: electricity and the telephone. In some countries, their cost has become negligible. But in most other countries, unpredictable power supply and unreliable and expensive telephone services often place the fortunate minority equipped with a computer and a modem in a position comparable to that of a car owner without a reliable supply of fuel. The social impacts of globalization have been addressed by the most recent United Nations Development Programme (UNDP) *Human Development Report 2000*. While acknowledging its positive features, the *Report* notes that globalization is also fragmenting production processes, labour markets, political entities and societies. So, while globalization has positive, innovative, dynamic aspects, it also has negative, disruptive, marginalizing aspects. Today's world, beyond global considerations and filtered through a human and humane development perspective, is one where differences between continents, nations, regions and cities are also becoming sharper.

23. In the aggregate, Western industrialized countries are enjoying unprecedented prosperity; Asian economic growth rates are the highest in the world; Latin America's economy has come out of its best decade since the end of the Second World War; while African countries are going through perhaps the most troublesome times since independence and the countries of Eastern Europe are still struggling with the transition from a centrally planned to a full market economy. Regardless of the current economic health of countries and continents, there simply is not enough investment in building the foundations of sustainable economic development: physical and social infrastructure. Lagging continents and regions can justify this gap with their impaired ability to invest in improving their physical and human capital, starting with the unbearable weight of their debt burden; but in addition, rapidly growing economies, with the notable exception of China, may be missing a historic opportunity to respond to their urbanization challenges and the demands of mature and dynamic urban societies with adequate investment in urban services and infrastructure.

24. A humane settlements perspective offers further insights into the growing disparities detectable between and within individual States. Aggregate economic figures for geo-economic groups of nations hide enormous disparities between countries in income distribution, health and morbidity, levels of educational attainment, housing conditions and models and practice of governance. These disparities are also painfully detectable within individual countries. Even countries whose economies are doing well, such as China, the United Kingdom and the United States of America, recognize growing disparities in economic performance and quality of life between booming regions and lagging regions, prosperous urban centres and cities in decline. This suggests a direct correlation between globalization and responses to urbanization processes. Most booming regions, whether on the West coast of the United States, in the South of England or on the South-East coast of China, are the ones that have seized the opportunities provided by globalization and are now driving it. Invariably, and this is the crucial point in terms of human settlements development, they are also the regions that have invested most in physical infrastructure, environmental protection, housing, educational and health facilities and communication networks. The question of which factor drives which is the subject of a long and fascinating debate, but the close interconnection between investment in human settlements development and the opportunities offered by globalization, particularly in terms of economic growth, is incontestable.

F. The divided city

25. The growing disparity between development and quality of life at the global, continental, national and regional levels is dramatically present and even more clearly discernible at the city level. In its analysis of current urban realities, the Urban 21 Global Conference on the Urban Future, held in Berlin in July 2000, came to the conclusion that no city is free of problems. In its summarized simplicity, this statement confirms an uncomfortable reality often underlined in the past in other international forums. The urban challenge is global because it manifests itself everywhere. It is also a global challenge because, in an increasingly interconnected world economy, the range and reverberations of urban crises have a much greater impact than before. And it is global because, despite obvious differences running across the whole development spectrum, cities increasingly face similar problems. There is an opportunity to learn from each other's experience and to multiply the potential for sustainable development following a common agenda.

26. One of these common features is the divided city. Within cities in all regions of the world, disparities are growing between the affluent and the dispossessed, exemplified by the coexistence of thriving business districts, affluent neighbourhoods and slums (in the case of most developing countries) or distressed neighbourhoods and derelict quarters (in more affluent countries). This is the most visible trait of the divided city. Equally disturbing is the presence of invisible barriers within the divided city. It is entirely possible for a modern business executive to spend months in any of today's "world cities", as well as in the capital of a developing country, without ever coming into visual contact with a slum or a derelict neighbourhood. Similarly, affluent residents of any city can spend years without ever needing to come into contact with less palatable sections of the city or with their inhabitants. Their contacts are with their peers and on the right side of the digital tracks. The cybernetic peers of the privileged classes in any large city are business contacts and personal relations in another large world city. Their lifestyles are indistinguishable from those of the great capitals of business, banking and fashion. They speak a global language and deal in a single global currency. The globalization of lifestyles is another aspect of the phenomenon under discussion and one that is most evident in cities, both in the cultural and consumption attitudes of the affluent and in the homogenization of the physical image of large and smaller cities. They are all increasingly alike in their architecture, shopping malls, gentrified historical neighbourhoods and impeccable suburban housing estates. They are also similar in their derelict brownsites, their degraded and sub-standard residential districts or informal settlements, where the invisible other inhabitants of the divided city survive.

27. Have cities always been this way? No, they have not. Does the divided city draw its roots from the past or is the divided city a strong trait of the current era, emphasized by a prevailing globalization culture based on seizing economic opportunity and leaving behind the principles that made communities and cities the opposite of what they appear to be now at the dawn of the urban millennium, distinguishable in character but unified by solidarity and civic pride?

28. During the past five years, civil society and their organizations have been consolidating their views and hopes in alternative scenarios for a more just and humane global development model (see Millennium Forum Declaration, May 2000). There are now powerful forces striving for a better world, and they draw their

strength and legitimacy from countless women and men operating on the same principles and striving for better human settlements conditions in their communities. This is an era in which countries are trying to adjust to rapid, traumatic and profound changes, presenting great opportunities for democratic central and local governments to harness this civic capital and put it to work for the common objectives enshrined in each country's constitution and the development principles adopted by all member States, including those contained in the Habitat Agenda.

G. The way forward

29. The present section has sought to illustrate and actualize the Habitat Agenda's only statement devoted to globalization and the growing social and economic problems that accompany the globalization and urbanization processes. What follows are two major arguments for policy and action in response to the processes and challenges described so far that have emerged in clearer relief since 1996.

Promoting entrepreneurial cities

30. Until recently, the success or decline and stagnation of cities and other settlements were strongly and often uniquely linked to territorial, geographic, natural or political features. This is the case of settlements at the intersection of important communication corridors, or facing waterways and harbours or built around the processing or commercialization of agricultural products or mining resources. In a globalizing economy, these factors are no longer the exclusive driving forces of urban economic growth. There are no classic locational factors that explain the meteorical rise in prominence of "e-regions", such as Silicon Valley and Seattle in the United States of America or Bangalore in India. The real explanation is entrepreneurship. For a number of different reasons, often romanticized in the image of teenagers reinventing technology in their garages, thriving new activities sprang out of nowhere, creating jobs for millions of people and also a snowball effect that enabled the birth of equally amazing e-regions in other parts of the world.

31. The point is that location is not destiny, and an important corollary is that all booming regions require a minimum package of enabling conditions to develop and sustain themselves. These conditions are determined directly or indirectly by the actions of central and local governments. This mix varies from place to place but is likely to contain incentives, tax expenditures, high-level educational facilities, research centres, universities coupled with well functioning infrastructure and urban services, available housing, excellent communications and efficient transport systems. All these factors are, of course, both the foundation, the essential purpose and the product of good governance, involving both the public and private sectors. At the second session of the Commission acting as the preparatory committee, governmental delegations welcomed the increasing role of cities and towns in a globalizing world and the progress made in forging public-private partnerships and strengthening small and microenterprises. They agreed that cities and towns hold the potential to maximize the benefits and to offset the negative consequences of globalization, and that well managed cities can provide an economic environment capable of generating employment opportunities and offering a diversity of goods and services.

Supporting human settlements initiatives of the urban poor

32. The urbanization of poverty is one of the most challenging problems facing the world today. Globalization accentuates this phenomenon because the opportunities it offers are often monopolized by a highly educated and upper-income urban population. The commercialization and internationalization of agricultural production is also transforming the rural economy of the developing world from one based on smallholdings and extensive agriculture into capital-intensive and specialized activities. This intensifies the exodus of the rural population to urban areas in search of an alternative livelihood and better employment opportunities. Cities in the developing world are faced with a triple challenge caused by sustained population growth, a population that needs shelter and services but whose income is insufficient and a diminishing ratio of resources per inhabitant, compounded by a weakened support role of the Government, an inadequate revenue base and poor institutional capacity for planning and management. The contrast with the buoyant image of e-regions and prosperous cities of the North could not be sharper.

33. The dilemma for cities in developing countries is that they are faced with explosive problems that require immediate solutions but for which no sustainable solution is in sight in the conventional terms of public housing, subsidies and social programmes that worked so well in the industrialized countries of the North half a century ago.

34. The entry point for addressing this dilemma has been identified in the Habitat Agenda: the provision of secure tenure within comprehensive slum and squatter-settlement upgrading programmes. Various forms of tenure exist, not all of them linked to freehold property, that can guarantee physical, social and economic security to the threatened half of the divided city. It is only on this basis that the poor can acquire dignity, improve their health conditions, invest in the improvement of their own shelter and communities and gradually earn a role as full-fledged citizens. This has been done and is being done with success. The challenge for the partners of the Habitat Agenda is to reproduce these successes on a scale unheard of before.

35. A different reality is beginning to emerge from within some of the world's slums — a reality that places the poor as active participants in development and as true poverty experts. Where banks do not lend to them, they save and lend to each other. Where no housing is available, they build their own shelter. Where no education is provided, they teach each other. The poor are currently the single largest producers of shelter and builders of cities in the world. In most cases, women are taking the lead in devising survival strategies that create the conditions for development.

36. It is clear that some city leaders want to meet the challenge of urban poverty by actively engaging with the poor and the marginalized. Recent progress made in participatory local democracy is providing fertile ground for innovation in the way that demands are articulated and satisfied. It is precisely these initiatives that provide some of the best prospects for sustainable urban development strategies, and to which the world's development institutions are being invited to respond.

37. At the second session of the Commission acting as the preparatory committee, governmental delegations took note with satisfaction of the growing awareness of the need to address in an integrated manner poverty, homelessness, unemployment,

lack of basic services, exclusion of women and of children and marginalized groups, including indigenous communities, and social fragmentation in order to achieve better, more liveable and inclusive human settlements worldwide. Governments, international organizations and members of civil society have made continued efforts since 1996 to address these problems.

II. Regional prospects and policy implications

A. Africa

Urban and shelter prospects

38. The present section is a synthesis of selected issues, trends and prospects in the Africa region drawn from national reports and additional sources (for more detail, see HS/C/PC.2/2/Add.2).

39. Although Africa is the least urbanized continent with only about 35 per cent of its population living in urban areas, it is currently experiencing high rates of population increase and the world's most rapid rate of urbanization. National reports on the implementation of the Habitat Agenda indicate that several Governments in Africa are in the process of revising national policies and strategies and are reviewing legislative and institutional frameworks related to shelter development for urban and rural areas. For example, in Zambia, through an act of Parliament, unplanned settlements that meet a set of criteria are legalized and residents offered title to land. The urban and rural development frameworks in South Africa are the main guidelines for the implementation of the Habitat Agenda. These have been supported by programmes for action, such as integrating the city and region, improving housing and infrastructure, promoting urban economic development, creating institutions for delivery, improving income and economic opportunities, investing in basic infrastructure and social services, restoration of basic economic rights and resource conservation.

40. In many countries, the role of government is gradually changing from that of a provider to that of a facilitator of public-private partnerships and supporter of community-based initiatives in the housing sector. One such example is Namibia's building together programme, which provides loans to low-income households who wish to buy land, construct or repair their homes. It lends money to groups that are considered high risk by private lending institutions. Between 1996 and 1999, approximately 2,662 families benefited from the programme. Zimbabwe has also initiated measures to involve building societies in lending to housing cooperatives. In Kenya, part of the national social security funds have been invested in land and housing projects.

41. However, expansion of informal settlements and lack of adequate basic services are a major concern for Governments and local authorities in the region. Much remains to be done to establish well functioning land markets. Factors that constrain the supply of land in African countries have been identified, including customary land rights, land speculation and lack of updated cadastral and data systems. Several countries have promulgated legislation that supports the participation of women and disadvantaged groups in economic, social and political decision-making processes. As a result of such targeted policy implementation

strategies, gender gaps appear to be reducing. For example in Ethiopia's cooperative credit schemes, women form 67 per cent of the total beneficiaries. The local government statute in Uganda improves opportunities for women's representation in local councils. This legislation indicates that women councillors must form one third of all local government councils. Uganda's Constitution of 1995, article 35, covers women and vulnerable groups comprehensively. Namibia is also revising its succession laws and the marriage persons equality act. In Chad, the Government is developing a family code aimed at improving the economic condition of women as well as their legal status, while the national housing strategy guarantees a quota of 50 per cent of serviced plots for women-headed households. Similarly, Botswana has made efforts to increase home ownership by female-headed households. In Burkina Faso, a presidential decree of 1997 recognizes equal access to land and property without any discrimination based on sex and matrimonial status. In the United Republic of Tanzania, there is specific emphasis regarding women's access to land; the policy stipulates that in order to enhance and guarantee women's access to land and security of tenure women will be entitled to acquire land on their own right not only through purchase but also through allocation. However, inheritance of clan land or family land will continue to be governed by custom and tradition provided that these are not contrary to the Constitution and principles of natural justice. Ethiopia reports that there exist no impediments to women or any other particular group to owning or renting land or taking mortgages in their own right. Mozambique's new land law of 1997 establishes the right of occupation for all peasant farmers, regardless of gender, with the same force as a land title. In Morocco, the question of integration of handicapped persons into social life has become a priority. There is a clear effort to satisfy the needs of handicapped persons through global administrative and legislative structures that encourage their political participation.

42. The challenge of how to translate legislative reforms into concrete action remains. A similar gap applies to the strengthening of the role of local authorities in social development and poverty eradication, including capacity-building in gender analysis, planning and mainstreaming. Other problems include misunderstanding between traditional institutions and proposed local authorities, whereby creation of local authority structure is viewed (by some traditional leaders) as an attempt to undermine the power and authority of traditional institutions, as reported in Lesotho. Widespread poverty, low levels of economic development and lack of financial and human resources present a daunting challenge. Coupled with this is the rate at which the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic affects human settlements and specifically the working-age population.

43. Comprehensive water resource management plans have been prepared in some subregions with the aim of securing resources and maintaining quality. Since 1996, a growing number of countries have undertaken studies to identify and assess the environmental problems related to rapid urbanization. Morocco, for example, has experienced a high demographic and economic growth that puts a lot of pressure on natural resources and leads to a gradual degradation of the environment. Public authorities have therefore developed and adopted an action plan, including new strategies based on a global and integrated vision of the environment and clarifying collective and individual responsibilities. Programmes that address air and water pollution and improved solid waste management have been intensified. Significant

efforts have been made in environmental resource management in the context of the development planning process. Countries recognize the value of consensus-building through the involvement of a wide range of actors and the provision of information on relevant issues, strategies and decision-making processes. Local development plans and Agenda 21 initiatives have offered an opportunity to engage in such participatory processes. Inadequate disaster preparedness for prevention, mitigation and response to disasters has been identified as an issue in a number of countries. Sustaining regional and subregional mechanisms for preventing conflict, promoting political stability and ensuring a reliable flow of resources for peacekeeping operations have also been emphasized.

44. Informal microenterprises employ over 60 per cent of the workforce in urban Africa. In Nigeria, for example, it is estimated that about 70 per cent of the women population is dependent on this sector. This sector continues to grow and is the most rapidly expanding employment segment of the contemporary African urban economy. In the next decade, more than 90 per cent of additional jobs in the urban areas in Africa will come from micro and small-scale enterprises. Women play a prominent role in the urban informal economy but are usually relegated to the lower end of the informal economy, earning less than men and often not having acceptable collateral to use established credit facilities.

Box 1

Sustainable urban development and good governance, Nigeria

The Government of Nigeria, since the election of the civilian leadership, has made great progress towards the establishment of good governance at all levels. Nigeria is structurally decentralized with 36 states and 774 local authorities. The federal Constitution, which gives legitimacy to the structure is being reviewed with a view to further strengthening the federal units. The ongoing debate is seeking greater autonomy in matters of fiscal responsibility, uninhibited political control and increasing popular participation. Legal and institutional frameworks are in place to guide geographically balanced development. Although urban centres have yet to be formally characterized and categorized, the foundation has been laid in a national urban development policy document which is being implemented in various initiatives such as World Bank community based upgrading, the sustainable cities programme and the cities alliance Karu programme. Community consultations and citizen participation are integral processes of local development programmes in several local government areas, such as Somolu in metropolitan Lagos.

45. Several countries have undertaken constitutional reforms to decentralize their systems of governance. In Uganda, for instance, a national programme and action plan on democratic governance was prepared in 1997. The action plan identifies decentralization, democratization, transparency and accountability and public information as key areas in good governance. In the United Republic of Tanzania, the main principles of the local government reform process have been published in a

government policy paper in 1998. These principles include people's participation in government at the local level, bringing public services under the control of citizens through their local councils, giving power to local councils over financial resources and creating a new central-local relation based on legislation and negotiation. The relationship between the central Government and local authorities, however, is still poorly developed, even in countries where decentralization is enshrined in national constitutions. In addition, local authorities have low management and administrative skills and lack resources.

46. Little international assistance has been provided so far for implementation of national plans of action. A need to enhance sharing of information through international cooperation, especially in documentation of best practices and transfers of technology, with priority for South-to-South cooperation, is also identified in several national reports.

Policy implications

47. The Economic Commission for Africa (ECA) and Habitat organized a regional meeting of ECA member States on follow-up to the implementation of the Habitat Agenda in Addis Ababa from 6 to 8 November 2000. Ministers and government representatives responsible for human settlements in Africa reviewed progress made, challenges and future initiatives, as reported in a position paper prepared for the meeting. They endorsed a position paper and adopted the Addis Ababa Declaration on Human Settlements in the New Millennium (see HS/C/PC.2.2/Add.2).

48. In its introduction, the Declaration acknowledges that close to 50 per cent of the African population currently lives in poverty, and it recognizes the increasing urbanization and feminization of poverty taking place in many African countries, manifest in the form of inadequate urban housing and limited access to basic services, such as water, sanitation, waste management, energy and public transport. Welcoming the progress made so far, the Declaration recognizes the negative impacts of ineffective management of cities and human settlements, inadequate infrastructure and rising crime and violence on economic growth, the quality of life and working environment in many African cities and towns. It acknowledges that one out of every five Africans lives in a country severely disrupted by war or civil conflicts, and that there are approximately three million refugees and 16 million internally displaced persons on the African continent, which has resulted in the destruction of human settlements and infrastructure and in serious disruption of economic activities. It also recognizes that the majority of the African population still lives in rural areas, and stresses the need to address rural development, rural housing and rural-urban linkages. The Declaration also recognizes that sustainable policies and programmes being implemented to improve shelter, basic services and urban governance can make a positive contribution towards Africa's economic recovery and development in the new millennium.

49. In the Declaration's operative section, African member States reaffirm the Habitat Agenda's commitments endorsed in Istanbul in the areas of adequate shelter for all, sustainable human settlements, enablement and participation, gender equality, financing shelter and human settlements, international cooperation and assessing progress. The Declaration also contains the following new commitments

and recommendations under the six headings adopted by member States for their national reports, by which they:

(a) *Shelter*:

(i) Welcome the launching of the Global Campaign for Secure Tenure and recognize that the extension of secure tenure must benefit women and men equally, and that the right to own, have access to and control of land, property and other economic resources should be considered an important indicator of progress towards the realization of this Habitat Agenda goal;

(ii) Urge Habitat and its partners to expand the managing water for African cities programme to improve access to sanitation, waste management, energy and public transport;

(iii) Welcome the Habitat-World Bank cities alliance partnership;

(iv) Undertake to promote the mobilization of domestic resources for shelter development;

(v) Undertake to promote the use of new technologies for the development of low-cost housing and social infrastructure and of appropriate, cost-effective and environmentally friendly technology;

(b) *Social development and poverty*:

(i) Acknowledge the need to create an enabling environment for enhancing the capacity of the private sector to develop housing and increase employment opportunities;

(ii) Commit themselves, by accelerating urgent and contextually relevant policies and programmes, to bringing closer the realization of the second goal of the Habitat Agenda, sustainable human settlements in an urbanizing world, together with a pledge to initiate policies and programmes exclusively targeted to the provision of shelter for the rural poor and to formulate and implement policies for housing HIV/AIDS victims, including shelter solutions, ensuring public awareness of ways to prevent the spread of HIV/AIDS;[3]

(c) *Environmental management*:

(i) Recognize the efforts of Habitat in support of African countries affected by war and natural disasters in reconstructing settlements, rehabilitating local governance institutions and enhancing preparedness and prevention capacity;

(ii) Commit themselves to promoting policies for creating environmentally sustainable, healthy and liveable human settlements; for sustainable energy use in transport, industrial production and households; for strengthening disaster prevention, mitigation, preparedness and post-disaster rehabilitation; for promoting peace in the post-conflict context through reconstruction, rehabilitation and development policies and actions; and for reintegrating refugees and settling internally displaced persons;

(d) *Governance*:

(i) Welcome the launching of the Global Campaign for Urban Governance;

(ii) Encourage a regional focus on decentralization policies and reaffirm the need to strengthen the role of local authorities and their national and regional associations as key partners in the implementation of the Habitat Agenda;

(iii) Call for more deliberation on the proposed world charter of local self-government to enhance further understanding of the issues;

(iv) Reconfirm support for the Regional Council for Africa of Global Parliamentarians on Habitat and to the African non-governmental organization caucus;

(v) Reaffirm a commitment to instituting and reinforcing capacities to enhance transparency, accountability and efficiency in the management of public resources and to combat corruption in all forms;

(vi) List a number of recommendations aimed at strengthening international cooperation and the institutional framework for the monitoring and implementation of the Habitat Agenda (see HS/C/PC.2/2/Add.2; and sect. VI below).

B. Asia and the Pacific

Urban and shelter prospects

50. The present section is a synthesis of selected issues, trends and prospects in the Asia and Pacific region drawn from national reports and additional sources (for more detail, see HS/C/PC.2/2/Add.3).

51. The Asia and the Pacific region is characterized by great differences in levels of socio-economic development. South-East and East Asia have experienced high economic growth for several decades, but this was interrupted by the economic crisis of 1997. However, fuelled by earlier economic growth, urbanization continued unabated. While annual population growth is expected to decrease to 1.11 per cent in 2000-2010, household formation will grow at the much higher level of 2.29 per cent. There is accumulated demand in most of the developing countries of the region, and the provision of housing will remain a priority. The industrialized countries in the region face specific problems, such as changing housing needs for ageing populations and the formation of single-person households. Demand for new housing will also continue, especially for small households. Some countries have undertaken effective policy changes to meet the increasing demand for land and housing.

52. Among the major trends in the region is a shift of government policy towards playing an enabling role and more reliance on partnerships with the private sector, non-governmental organizations and local community organizations. In the Islamic Republic of Iran, for example, the shift to supporting more private sector contributions in housing production and increasing access to credit has had a great impact on shelter provision in the country. In many countries, self-reliance of well organized communities is playing a growing role. This is particularly evident in the well established democracies, while the more centralized countries are cautiously moving towards more inclusive shelter policies. Despite a long tradition of public participation in shelter development processes in some countries, the Habitat Agenda's call for widening these participatory processes and mechanisms by

involving more stakeholders and promoting sustainability still remains a challenge. Some countries encourage shelter provision for the poor by requiring developers to set aside a portion of any development for low-income groups.

53. Eviction is the greatest threat to inhabitants of informal settlements since it means an end to access to affordable housing at a convenient location and a loss of an interdependent community lifestyle. Arbitrary forced evictions are still taking place in some countries of the region. In Bangladesh, for example, there have been sporadic evictions and attempted evictions in the past few years. According to one of the NGO pressure groups — the Coalition for Urban Poor — 42 slums were demolished between May and August 1999, 34 of which housed 21,933 families. The High Court, in a landmark decision, has declared the eviction of squatters without resettlement illegal. The national housing policy (1993 and amended in 1999) also does not approve eviction without resettlement.

54. Specific measures, including legislation, have been adopted to support the participation of women in decision-making. For example, in India one third of the seats in every municipality, including those of the offices of mayors and chairpersons, are reserved for women. This is a major milestone in the road to complete gender equality in governance. In Japan, the Equal Employment Opportunity Law and other legislation were revised in June 1997 to ban discrimination against women at all stages of employment management, from job advertising and recruitment to mandatory retirement and dismissal. However, despite regulatory frameworks, discrimination against women persists in some parts of the region.

55. The rapid growth of motorization in the vast majority of cities has significantly contributed to urban air pollution. Industrial pollution of air and water also remains an area of major concern requiring legislative action and effective enforcement. In several countries, initiatives have been taken to protect the urban environment. For example, in China, enhancing the integration of socio-economic development and environmental protection is one of the major principles of urban planning. City master plans are expected to reflect attention to the protection and improvement of urban ecological environment, green space construction, urban sanitation, preservation of historic and cultural heritage, maintaining the local traditional style, and pollution control. In Japan, the Container and Package Recycling Law was enacted in June 1995 to promote recycling through appropriate role-sharing by consumers, municipalities and businesses. Under this Law, a mechanism has been incorporated into the social system whereby economic merits can be gained from the reduction of containers and packaging, and steps are being taken to greatly reduce the volume of waste. With regard to water supply, Japan has entered a period of renewal of old facilities, and many water utility companies around the country are engaged in the rebuilding and renewal of water supply facilities.

56. The negative environmental and economic development impacts of the overuse of private automobiles to meet regional travel needs have been evident since 1996. Large amounts of resources have been used to expand and enhance public transport, and light rail transit systems have been opened or are under construction in Bangkok, Jakarta, Kuala Lumpur, Manila, New Delhi and Singapore, among others. In Japan, efforts are being made to promote environment-friendly driving methods and a change to walking or cycling instead of short-distance automobile use. Changes in legislation have been made in order to decrease the negative impact of

transport on the environment. In the Philippines for example, the Clean Air Act was signed into law in June 1999. However, widespread use of motorcycle taxis in the largest cities in Asia is replacing public transport and is having a negative impact on atmospheric pollution, traffic congestion, health and the quality of life. Because the share of greenhouse gas emissions from the transport sector in Asia continues to be high, further steps must be taken to improve fuel mixtures and alternative urban transport.

Box 2
Comprehensive revitalization and sustainable development of Chengdu, China

In 1990, Chengdu was one of the most severely polluted cities in south-west China. A combination of rapid growth, liberalization and industrialization turned this once picturesque city into an environmental nightmare. Surrounded on four sides by two rivers (Fu and Nan), industrial effluent, raw sewage and the intensive use of freshwater deteriorated the rivers' water and caused the rivers to flood during the rainy season and to go dry during the dry season. Slum and squatter settlements proliferated on the banks of both rivers, exacerbating the social, economic and environmental problems of the city. In 1993, Chengdu started the Fu and Nan Rivers comprehensive revitalization plan. Using the principles of participatory planning and partnership, the plan was able to raise the awareness of the general public and mobilize multiple stakeholders to invest in a sustainable future for the city and its inhabitants. Decent and affordable housing has been provided for over 30,000 households previously inhabiting the slums on both banks of both rivers. A series of concomitant projects dealt with sewage, industrial effluent, infrastructure, transport and communications, and parks and gardens. Chengdu today is a clean and green modern city that has not forgotten its cultural heritage. The natural flow of the rivers has been largely restored, and the lessons learned in participatory planning and partnership are being transferred to surrounding townships and districts.

57. Economic development in the region was shaken by the Asia financial and currency crisis of 1997, which also had a global impact by slowing global growth and decreasing world trade. This setback has had severe socio-economic effects in the region, by reducing growth, raising inflation, increasing unemployment and undoing the social and political fabric of society. Employment in the informal sector accounts for a large percentage of employed persons. The encouragement of public/private sector partnerships and the stimulation of productive employment opportunities have been consigned to the private sector, in such areas as social welfare, medical services, traffic services and public safety. For example, in the Republic of Korea 43 per cent of social welfare and medical services, 38 per cent of traffic services and 12 per cent of public safety services are left to the private sector. One of the major weaknesses has been the shortfall between financial resources available to local authorities and their growing functions and responsibilities.

58. The majority of the countries in the region have promoted decentralization. In India, for example, the principle of local self-government has now been recognized in the national Constitution, and this denotes the right and the ability of local governments, within the limits of law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population. Local governments are now entitled to financial resources which they can disburse freely within their framework of powers. The constitutional provision also ensures that their financial resources shall be commensurate with their tasks and responsibilities. On the same issue of decentralization and strengthening of local authorities, in order to support the local governments to work out their own policies the Chinese Government has transferred more power of decision-making and management to local governments in the field of human settlements and housing construction. In China, a great deal of substantive work for housing construction and human settlements improvement, including planning, policies, measures and even local legislation, is performed by local governments. The central Government plays a leading role in policy guidance and macro control. Interregional projects concerning ecological protection and large construction projects are organized and coordinated by the central Government. In this way, both central and local governments are involved in the development of human settlements. The central Government provides strong policy support to local governments in dealing with human settlements issues.

Policy implications

59. The Economic Commission for Asia and the Pacific (ESCAP) and Habitat, in collaboration with UNDP, the Asian Development Bank, the Western Pacific Regional Office of the World Health Organization (WHO) and CityNet, organized a regional high-level meeting for Asia and the Pacific from 19 to 22 October 2000 in Hangzhou, China, with support from the Chinese Government. Representatives from national and local governments, non-governmental organizations, research and training institutions and the private sector participated in the meeting. After the presentation of a summary on implementation of the Habitat Agenda in the region and five background papers on the main themes of the meeting, symposiums were convened for national and local governments, non-governmental organizations and research and training institutes.

60. The symposium for national Governments reported positive developments in the area of shelter, with the adoption of more realistic building standards, an increase in public-private partnerships and community-based approaches to low-income housing. Some policies, such as resettlement of rural households to reduce rural-urban migration and urbanization, have, however, failed. Governments are decentralizing authority and functions to the local level, but decentralization of financial resources remains limited. Progress in poverty alleviation has been made through empowerment of the poor and a focus on women in poverty alleviation and increased stakeholder participation in local decision-making, but more needs to be done.

61. The symposium for local governments felt that the roles, powers and functions of different levels of government need clarification. Resources and decision-making have to be assigned to the local level. Through an appropriate legal framework, capacity-building and human resources development, local governments should be empowered to solve urban problems. Security of land tenure is critical for housing

the poor, but local governments lack the power to acquire land. Similarly, cities in the region face environmental problems, but local authorities lack the capacity to implement environmental laws. They are also unable to promote local economic development because of a lack of resources and the absence of a legal framework to mobilize them. To alleviate poverty, local governments need to increase their support to community-based and non-governmental organizations that work with the poor, especially with women. Multi-stakeholder coalitions should monitor and evaluate urban governance.

62. The symposium for non-governmental organizations focused its attention on the process of the implementation of the Habitat Agenda, which some non-governmental organizations did not see as a "people's agenda" and which they felt was drafted and approved by national Governments without the awareness of many stakeholders. The Habitat Agenda needs to be localized and its implementation institutionalized by the creation of Habitat committees at the national, regional and municipal levels. The Habitat Agenda is quite comprehensive, but new issues, such as globalization, debt and corruption, have emerged. The Habitat Agenda must be made more readable and understandable. There was concern that the special session will be just another session of the General Assembly, at which civil society will not be represented. The views of non-governmental organizations are often not included in national reports, which differ from reality. Greater transparency is needed in reviewing implementation of the Habitat Agenda, and country reports should be the result of a broad consultation process, with involvement of all stakeholders. Input audits by actors not involved in implementation should be incorporated in the monitoring and reporting.

63. The symposium for research and training institutions identified a need to analyse critically and document best and worst practices. Beneficiaries need to be identified so that research can be used in policy development and in programming. Many issues have already been studied and findings should be disseminated to decision makers in the Government and civil society. The symposium requested ESCAP assistance in developing and hosting a regional portal for the World Wide Web. Because training needs are constantly changing, institutes should determine needs before creating training programmes. Government officials need to change their attitude, become more entrepreneurial and manage the assets of local government more effectively. They should learn to work in a participatory way and develop an ability to understand the realities of cities.

64. In the subsequent plenary sessions, participants cautioned against overemphasis on poverty alleviation in slums and squatter settlements because the urban poor not living in such settlements would be excluded. Considerable effort is necessary to change attitudes and reduce consumerism and wasteful behaviour. Participants agreed that policy makers, researchers and civil society do not fully understand the implications of globalization and its impact on economies, societies, cultures, cities and the poor. Methodologies and indicators are needed to monitor good governance and measure progress in implementation of the Habitat Agenda. There are not only problems in the cities of Asia and the Pacific but also many initiatives to find solutions to them. Better use should be made of these solutions through the sharing of experiences at the regional level, using existing regional networks, such as CityNet and the Network of Local Government Training and Research Institutes in Asia and the Pacific.

C. Europe and North America

Urban and shelter prospects

65. The present section is a synthesis of selected issues, trends and prospects in the Europe and North America region drawn from national reports and additional sources (for more detail, see HS/C/PC.2/2/Add.4).

66. The main shelter issues in most countries in the region do not involve the construction of new units but rather urban renewal; the conservation of historic sites and cultural heritage and renovation; and the modernization and thermal insulation of existing dwellings. In some countries, the greatest problem is the large amount of degraded housing. Housing is being torn down to make room for more attractive buildings. The conservation, renovation and modernization of housing are the main concerns of the shelter sector in Western Europe and even more so in Eastern Europe and the Commonwealth of Independent States (CIS), where the quality of many old dwellings is generally poorer than in Western Europe. Renovation of entire neighbourhoods has sometimes led to displacement of the original occupants due to increased rental costs. Several countries have completed or are preparing legislation to facilitate urban renewal. Wars and conflicts have erupted since 1996 in the Balkans and in the Caucasus, leaving a heavy toll of destruction and displacement. Post-war reconstruction, rebuilding social institutions and reinventing local governance will be challenges in the concerned subregions. In these countries, the issue of secure tenure is of major importance. In Kosovo, for instance, the entire land registration system must be recreated following the destruction caused during the recent conflict.

67. Although demand for new housing is decreasing in most Economic Commission for Europe (ECE) countries, considerable shortage of affordable housing is experienced in many as housing costs rise faster than inflation. In the United States, for instance, 21 of 25 metropolitan areas identified as top high-technology markets had rent increases greater than inflation. Rents increased by more than 20 per cent between 1995 and 1999 in Denver and the San Francisco Bay area, while they rose by more than 15 per cent in Boston, Kansas City, Atlanta, Seattle, San Diego and Chicago. The federal Government is working in partnership with local authorities and the private sector to implement a twenty-first century agenda for cities and rural areas. Among the essential elements of this agenda is the construction of one million new urban housing units during the next 10 years. The objective is to redevelop urban land and industrial sites and to address the problems of unchecked urban sprawl. The agenda also aims to make housing less costly through the use of innovative technologies and to increase the supply of affordable rental housing through transformed funding mechanisms.[4] In Ljubljana, Slovenia, house-price-to-income ratio is the highest compared to other Central and Eastern European capitals. House prices have increased from 30 to 100 per cent (1993-1999), while the average income has increased by only 4 per cent. In the Czech Republic, low-income families and young people are forced to live in combined households as they have poor prospects of obtaining independent accommodation on the housing market. In Israel, first-time buyers are entitled by law to a government subsidized mortgage plan, which amounts to approximately 15 per cent of the cost of the dwelling unit.

68. The danger of marginalization and social exclusion in European countries often involves a vicious circle of complex problems. Unemployment, poverty, poor health and social problems usually create a situation in which a person's skills and abilities start to erode. Segregation and polarization in residential areas can create a culture of exclusion, which becomes more difficult to combat the longer the situation continues. Poverty reduction measures and the fight against social exclusion have been made a national priority in both France and the Netherlands, the emphasis being on creating work opportunities for unemployed youth or youth without qualifications and assisting disadvantaged neighbourhoods in accessing housing, basic sanitation, education, health care, as well as developing recreational and cultural activities for personal development. Since 1997, Vienna has developed a programme that supports young people who may be potentially at risk, targeting youth between 11 and 20 years of age whose main area of social contacts are public spaces and who are not supported by the social services network. The programme reaches out to young people through street work and counselling, assisting homeless youth in finding work as well as helping to integrate youth from various ethnic backgrounds and supporting gender-related youth activities. In Finland, an experiment with social loans to the needy was started in 1999 in eight municipalities under the supervision of the Ministry of Social Affairs and Health. The general idea is to give access to credit for productive purposes to those who cannot obtain bank loans. An unemployed person can borrow money to buy tools or a car if it will help in getting a job. The loans are relatively small and have lower interest rates than the banks. In order to address increasing urban and social housing problems that have emerged over recent years, the Danish Government has set up an urban committee, which has initiated 12 urban regeneration projects since 1996. The committee adopts a holistic approach to improving poorly functioning urban areas with investments for physical and social improvements. The objective is to combat problems in deprived urban areas with for example rent reductions, renovation, employment of resident advisers, social schemes, targeted integration initiatives, and crime prevention initiatives. In December 1999, the Government of Canada decided to alleviate and prevent homelessness across the country over a period of three years. The initiative includes a range of programmes, such as helping communities to develop community plans that identify needs and gaps, and to implement comprehensive local strategies that address the immediate and long-term needs of homeless people. The urban aboriginal strategy helps to fund communities in addressing homelessness by increasing culturally appropriate services and support mechanisms. The youth employment initiative is designed to help youth at risk, including homeless youth to acquire and develop basic and advanced skills. One quarter of the funding available under the national youth employment strategy is earmarked for helping aboriginal youth. The shelter enhancement initiative provides funding for the development and enhancement of emergency shelters and second-stage housing intended to serve women, their children and youth fleeing domestic violence.

Box 3

Environmental improvement in the Katowice Agglomeration, Poland

The Katowice region, with four million inhabitants (10 per cent of the Polish population) is the primary source of key raw materials for the Polish economy, the centre of heavy industry and the major source of electric power. It produces about 15 per cent of the gross domestic product (GDP) of Poland. The Katowice agglomeration has a severe legacy of environmental damage resulting from generations of heedless mining and industrial exploitation. Ten years ago, it was one of the most polluted areas in Europe. The 13 cities of the agglomeration created the Union for the Sustainable Development of the Municipalities of the Katowice Agglomeration in 1994 in order to address common environmental problems. Since then, the Union, together with a large number of partners from various sectors, has been developing pilot projects on reclamation, rehabilitation and reuse of post-industrial areas, as well as on waste and sewage management. These pilot projects serve as a basis to develop innovative approaches and tools for replication within the agglomeration. In addition, the Union is facilitating inter-municipal cooperation for environmental planning and management and for the preparation of urban development strategies. Concrete results have been achieved in such areas as public housing rehabilitation, "greening", redevelopment of post-industrial areas and buildings.

69. Another problem in the region is the ageing of the population, with its related consequences for the types of dwellings required, notably improved accessibility. With growing numbers of older people, the demand will increase for smaller housing units closer to services in densely developed inner cities. This problem is most acute in several southern European countries, which had younger populations in the past. While some 20 per cent of the population in Europe is more than 60 years old in 2000, that figure is projected to increase to 26.7 per cent in 2025. The corresponding figures for North America are 16.3 per cent and 24.4 per cent, respectively. Under Swedish national legislation, people with functional disabilities, the elderly and asylum seekers have special rights to housing. Parliament has adopted a national action plan for the elderly, stating that society should be planned in such a way that access to public services for older people is provided. The main concept guiding the care of the elderly is that they should be able to continue living in their accustomed surroundings and in their own homes as long as possible. This generates a demand for housing adapted to individual requirements, which can be achieved with the special home adaptation grant. In the Netherlands, the Government provides subsidies for altering existing buildings to enable senior citizens and disabled people to live in altered housing. Special attention has been directed towards immigrant senior citizens, who usually live in disadvantaged neighbourhoods, are particularly uninformed about provisions which they are entitled to and frequently do not have a good command of the Dutch language.

70. In countries with economies in transition, where social protection has declined considerably, the needs of tenants must be addressed as housing markets are becoming less flexible. For example, out of the approximately four million

households in Hungary, 140,000 are more than six months in arrears with housing loans and face foreclosure that would end with eviction. In half of those cases, legal procedures have already started and thousands of households face foreclosure. There are also some 100,000 households that are in serious arrears with utility companies.

Policy implications

71. Ministers of housing and spatial planning met in Geneva on 19 September 2000 under the auspices of the ECE Committee on Human Settlements. They discussed and adopted the ECE Strategy for a Sustainable Quality of Life in Human Settlements in the Twenty-first Century and a ministerial declaration.

72. The declaration recognizes the significant role of cities and towns in generating knowledge and economic development. It also acknowledges that global environmental problems cannot be solved without improving environmental performance in urban areas. It stresses the need to continue reforming the urban and housing sectors through ensuring effective legal, economic and institutional capacities of central and local authorities and improving conditions for public and private investments in the built environment. The Ministers urged the ECE Committee on Human Settlements to further promote the sharing of experiences on good governance and management practices in urban and spatial planning among all ECE member countries.

73. The Strategy, based on the provisions of the Habitat Agenda and Agenda 21, with a particular emphasis on issues of common interest and concern for all countries of the ECE region, reflects experiences, needs and approaches shaped by five decades of cooperation within the ECE Committee on Human Settlements. It also reflects the views of ECE Governments that living conditions and urban problems are multidimensional and should be considered in a broader context of economic and social development, environmental protection, peace and security. The participants felt that the Strategy could help ECE to define areas of specific competence to address human settlements challenges through a comprehensive approach, while ensuring synergies within ECE and with other international organizations. To improve the quality of life in ECE member States, the Committee promotes cooperation between central Governments, local authorities, the business community and NGOs.

74. The ministers and their representatives exchanged views on the content of the Strategy and its relationship to national strategies, policies, goals and challenges, identified the major trends and developments affecting human settlements and put forward the following goals and challenges, to which the General Assembly may wish to direct its attention:

(a) *Meaningful democratic governance*. There is a need to decentralize government and build up strong local governance. There are different ways of achieving decentralized and democratic governance, such as promoting transparency, integrity, accountability and efficiency and encouraging more citizen and community involvement. Good governance also implies a strong role for the private sector as a source of opportunities, expertise on financing and market demands and mechanisms. Partnership between public, private, voluntary sectors and local citizens is the strongest foundation for democratic decision-making and successful development;

(b) *Integrated approach*. Human settlements problems and solutions must be tackled in an integrated way if sustainable development is to be achieved. This means not only addressing the physical environment but also balancing it with social, economic, cultural and environmental factors. Therefore, the five challenges in the ECE Strategy cannot be compartmentalized; they must be addressed together in a comprehensive manner and linked with other ECE activities. This integrated approach can also help to achieve a balanced spatial distribution of settlements. Spatial planning at the strategic and regional levels is required to secure an equitable provision of services everywhere and to examine the relationship between rural and urban areas within a given region;

(c) *Housing and urban sector reforms*. For all countries and especially those in transition, reform in the housing sector is a key element in the national economy and provides a basis for improving housing provision. Legislation plays a key role in some countries, but it is not enough on its own. It requires a good institutional set-up so that it may be enforced and implemented. Social housing is an important element in housing policies and there are various ways of approaching it. However, better integration of new social housing and private housing is needed;

(d) *Social cohesion* is a theme underlying many issues, such as urban regeneration, democratic governance and citizen participation. All actions should strive to achieve social inclusion, especially for women and ethnic minorities, and a decent quality of life for all. The aim is that everyone should have the opportunity to fulfil his or her potential through access to high-quality public services, education and employment opportunities, decent housing and good local environment;

(e) *Improving land and real estate markets*. Land registration is a topical issue for all countries, whether they are introducing new registration systems or updating and modernizing already established ones. Land registration provides the basis for efficient spatial planning; for the protection of state property, including environmentally sensitive areas; for population mobility; and for the development of property and housing markets.

75. The Commission on Human Settlements, in its resolution 18/7 on countries with economies in transition, further emphasized its call in its resolution 17/3 for strengthening cooperation programmes with countries with economies in transition in support of the implementation of the key aspects of the Habitat Agenda.

76. Furthermore, during the second session of the Commission acting as the preparatory committee, delegations discussed the provision of concrete assistance to transition countries within the general context of their national programmes of socio-economic development, the implementation of market-oriented reforms and the promotion of tangible economic changes. Specifically, within the framework of the Declaration on Cities and other Human Settlements in the New Millennium, delegations resolved to intensify efforts to include countries with economies in transition in the system of multilateral cooperation in sustainable human settlements development by developing support for those countries to determine an adequate level of decentralization in the governance of urban and rural human settlements, and to involve in those efforts United Nations financial institutions, international and national foundations, the private sector and other partners of the Habitat Agenda.

D. Latin America and the Caribbean

Urban and shelter prospects

77. The present section is a synthesis of selected issues, trends and prospects in the Latin America and the Caribbean region drawn from national reports and additional sources (for more detail, see HS/C/PC.2/2/Add.5).

78. Latin America and the Caribbean is the most urbanized region in the developing world. The transition from a predominantly rural to a predominantly urban population took place between 1950 and 1990. Despite significant differences between countries, 76 per cent of the region's population now lives in urban areas and confronts environmental challenges. Between 40 and 60 per cent of urban residents live in informal settlements. Invasion of land and buildings continue in many countries of the region. However, governmental action, coupled with growing participation by civil society in programmes promoting security of tenure and settlement upgrading, mainly through self-construction, managed to reduce invasions. From 1997 to 1999, 141,400 houses were constructed in Cuba, 47 per cent by the State, 18 per cent by cooperatives and 35 per cent directly by the population. The phenomenon of so-called "micro-brigades", where the people themselves construct, rehabilitate and conserve their own housing, has increased, and popular participation in construction and neighbourhood upgrading is widespread. In 1999, all over Cuba, more than 295,000 upgrading schemes were developed, almost entirely by the communities themselves. In Jamaica, the programme for resettlement and integrated enterprises is one of the major strategies used by the Government to improve the overall quality of shelter in the informal settlements sector, as well as in providing shelter to many home owners in the lower income strata. Through the promotion of "sweat equity", communities are mobilized through the creation of formal and legal entities which assist in the planning, financing and implementation of housing developments and shelter projects; some 111 projects are being completed.

79. Many countries recognize the right to housing and non-discrimination on the basis of sex, race or age in national constitutions. Cooperative housing and subsidized self-help housing have offered viable shelter and alternatives for low-income groups. There is widespread guarantee of secure tenure for renters in the region. The Mexican Constitution ensures the right of every citizen, regardless of sex, ethnicity etc., to a decent and adequate place to live. The law also protects citizens against forced eviction and ensures renters protection. In Mexico City, 9,643 evictions were recorded in 1996, while there were only 193 in 1999. In Brazil, the Projeto Vila Bairro has legalized some 7,000 plots of land through awarding ownership and usage titles to the beneficiaries (homeless families). In addition, 4,604 plots of land were also legalized for settling families removed from high-risk areas and illegal settlements. In Chile, the Chile Barrio programme began to operate in 1998, addressing the issue of extreme poverty, specifically in irregular or precarious settlements, through the regularization of property titles, the regularization of basic infrastructure and increasing access to housing. A total of 974 settlements, with 117,361 families, were included. The first year, approximately 13,000 families benefited, while that number increased to 30,000 in 1999. Gender equality has been a significant criterion in home ownership and subsidized schemes, and there are significant numbers of women heading households as homeowners.

80. As a direct result of widespread and growing social inequality and polarization, the region presents serious difficulties for early tangible urban and shelter improvements benefiting society at large. Progress is affected by a host of macroeconomic, legal, administrative and social constraints. In spite of the efforts of Governments to combat poverty, in some countries in the region there is still marginalization of the poor, related to the increase of unemployment and to a pattern of income distribution, together with instances of corruption, which make Latin America and the Caribbean an inequitable region. The major challenge in the region is to extend the benefits of economic restructuring to larger sections of society. Considerable effort is required to improve education, access to land and housing, and the provision of adequate basic services. There is an urgent need to promote inclusive cities, based on participatory governance. Unless increased social expenditure breaks escalating patterns of social fragmentation, violence and crime, the prospects for the region are not promising.

81. Steady economic growth has been the rule in the 1990s, but social investment has been less than what is needed. Some Governments have been forced to adopt monetary and fiscal policies in order to maintain, through high interest rates, currency stability and to stave off the inflation that ravaged the region's economies in previous decades. Although an aggressive social policy should have been pursued during this period of economic stabilization, social improvements have remained an unfulfilled promise. Natural disasters, including earthquakes, hurricanes and landslides, have had a negative impact on human settlements and development efforts. There have been regional and subregional efforts at disaster mitigation and management through the Committee for the Prevention of Natural Disasters and the Centre for Coordination for Prevention of Disasters. Another area being addressed is the disaster management needs of small island developing States.

82. Decentralization has been widely accompanied by participation of civil society in local governance. One of the most important instruments approved and implemented in the 1990s was Colombian urban reform, which gives each municipality autonomy over the regulation of the land market, with the explicit objective of favouring the most disadvantaged sectors. It creates and puts into effect land banks, grants municipalities the power to expropriate land that is not fulfilling a social function and establishes financial instruments for urban reform. The issue of gender equality in local governance and urban issues has been addressed in the region, with programmes to improve women's participation in decision-making and capacity-building. In Brazil, for example, the Ministry of Planning and Budget stipulates that the agents implementing housing programmes underwritten by federal funding should include women heads of household among their selection priorities. It also stipulates that the implementation agents should take steps to ensure the feasibility of introducing and disseminating capacity-building programmes for the female labour force, ushering women into the housing production process, particularly for self-construction and self-help schemes.

Box 4

Integrated programme for social inclusion, Santo Andre, Brazil

Since Habitat II, the municipality of Santo Andre (part of Sao Paulo metropolitan area) has successfully promoted an integrated programme of social inclusion as a strategy to address growing poverty in the city and establish a new way to manage local public poverty reduction policies. This programme addresses economic development, through microcredit and cooperatives; urban development, through slum upgrading; social development, through health and vocational training programmes; and cultural development through a citizenship programme. It links the efforts of various urban actors, resulting in a partnership activity under the leadership of the Mayor. It has served to optimize and focus resources for anti-poverty efforts, and in concrete terms has improved the living conditions of the 16,000 inhabitants in four *favelas* (areas of extreme poverty) through improved water supply and sanitation, drainage, home improvements and other benefits. Resources from a variety of international support agencies, national and local bodies and civil society organizations were leveraged in support of the programme of the municipal administration. Sectors traditionally excluded from citizenship rights were key partners in achieving this. The strong commitment of stakeholder groups has resulted in greater communication and partnership between the municipality and the stakeholders and is one of the important achievements of the programme.

83. Violence against women has been addressed by several countries through legislation, training programmes and public awareness promotion programmes. There has been considerable reduction in bilateral and multilateral assistance for the region. Only 3 per cent of total worldwide assistance goes to this region. This is partly explained by the region's high gross domestic product, although the region has a very high disparity between the rich and the poor. There is more direct channelling of aid to non-governmental organizations, which are perceived by international agencies as a more effective channel for development programmes oriented toward the poor. Housing receives less development assistance, except in areas affected by natural disasters. Local governments are unable to enter into direct agreements with bilateral and multilateral sources because of legislative constraints. This is an obstacle to effective decentralization.

Policy implications

84. The Economic Commission for Latin America and the Caribbean (ECLAC) hosted a regional preparatory meeting from 25 to 27 October 2000. The meeting's review and commitments were consolidated into the Santiago Declaration on Human Settlements.

85. The Declaration recalls the unique character of the Habitat Agenda, the important role of cities and the close linkage between urban and rural areas, all mentioned in the other regional declarations. The Declaration also describes the most acute human settlements problems affecting the region, including the increase

of poverty; limited access to social services; growing segregation in cities; escalating difficulties in providing adequate housing to poorer segments of the population; insecure land and housing tenure; lack of quality in housing, housing improvement and maintenance programmes; violence breaking down community life in urban centres; growing numbers of households headed by women, exposed to extreme social vulnerability; homelessness and its link to the weakest group of society, such as pregnant teenagers and street children; a lack of public spaces in cities to foster social integration and a better quality of life; a lag between territorial and urban policies and recent economic processes of growth, liberalization and changing production patterns; a disparity between economic growth and work opportunities in cities, particularly for women and youth; a lack of suitable environmental and development standards for human settlements; a need to expand potable water and sewerage services to low-income sectors; and the increasing vulnerability of human settlements to natural disasters and the consequent need to take this into account in land use, urban and housing policies, plans and programmes.

86. The Declaration also describes important economic, territorial and institutional trends with a direct impact on the region's human settlements. The opening of the region to international markets has led to new areas of regional integration and urban systems, calling for new forms of territorial integration beyond national boundaries. In addition, greater participation of civil society in urban, human settlements and housing issues throughout the region calls for new paradigms of decision-making and institutional response. The devolution of habitat management functions to the local level calls for greater attention to ensuring national and regional coherence in human settlements planning and policy coordination. Those concerns are echoed in the endorsement of the ECLAC strategic document, entitled "From rapid urbanization to the consolidation of human settlements in Latin America: a territorial perspective", which emphasizes the importance of the region's spatial configuration for the regional plan of action. The regional plan of action is repeatedly referred to in the Declaration as the main framework for the implementation of the Habitat Agenda in the region. Coordination is advocated between the Commission on Human Settlements, Habitat, ECLAC and the Regional Forum of Ministers and High-level Authorities of the Housing and Urban Development Sector in monitoring the implementation of the Habitat Agenda, combining best practices, enabling policies, legislation and action plans in identifying representative cities for the two global campaigns on secure tenure and good urban governance.

87. The Declaration also emphasizes strengthening of human resources training and development; concentration of efforts on women and vulnerable groups; promotion of the exchange of information and experience; proactive policies to achieve equality between women and men with regard to security of housing and land tenure; and the integration of natural disaster mitigation policies in human settlements planning.

88. The Declaration concludes with a call to ECLAC to organize a meeting of experts to propose mechanisms and develop indicators for the implementation of the regional plan of action. The General Assembly may also wish to analyse new challenges identified at the regional meeting, such as:

(a) Modernization of governmental institutions for urban and housing management;

(b) Land-use planning and land policies;

(c) Decentralization policies;

(d) Citizen participation and social integration;

(e) Gender equity.

89. The Chair of the meeting was invited to present the results of the meeting to the Commission acting as the preparatory committee at its second session and to the General Assembly at its special session, placing special emphasis on urbanization, international coordination and cooperation, capacity-building and institutional development.

E. Western Asia

Urban and shelter prospects

90. The present section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources (for more detail, see HS/C/PC.2/2/Add.6).

91. National reports indicate that a number of countries in the region undertook legislative reviews in compliance with the recommendations of the Habitat Agenda and amended existing legislation or promulgated new legislation in favour of the poor. In Jordan, for example, the Owner and Rental Law was amended in the year 2000. The amendment stipulates that the contract is the legal basis to which the parties to the contract shall refer. This amendment shall immediately apply for new contracts. For the houses rented prior to 31 August 2000, the amended Law stipulates that the lessee can rent the house until the year 2010 without increase in rent. The characteristics of housing stock and demand in the oil-producing Gulf countries that are members of the Gulf Cooperation Council (GCC) are different from those in other countries in the region. The existing housing stock and housing demand are influenced by a number of factors, such as a large expatriate population of workers and employment seekers in the area and the flow of Palestinian refugees to Lebanon, the Syrian Arab Republic and Jordan. High natural population growth rates in Egypt, Jordan, the Syrian Arab Republic and Yemen have contributed to the already existing housing crisis in these respective countries. Iraq, Jordan, Lebanon, the Syrian Arab Republic and Yemen have strengthened their housing delivery processes by involving and increasing the role of the private sector and civil society actors. Another important development is the strengthening of the role of women in housing and urban development, as stated in the national reports of Egypt and Iraq.

Box 5

City development strategies: participatory planning and urban upgrading, Egypt

Egypt has gained experience in applying participatory urban planning methods to promote sustainable urban development and economic growth in a variety of cities. Through the sustainable Ismailia Governorate programme, lessons have been learned from applying environmental planning and management techniques in the Egyptian context. Alexandria, through its Governor, has been able to mobilize funding from the private sector to improve the environment, including the road and transportation system. Luxor has developed a comprehensive development strategy through broad-based participatory planning techniques.

Housing shortage, environmental management and the need to upgrade informal areas are consistently identified as priorities in city development. The Ministry of Housing, Utilities and Urban Communities has championed innovative schemes to enable various partners to deliver housing and to upgrade informal areas through participation and economic improvement of the inhabitants. The Mubarak national project for youth and the future housing project constitute a model of social solidarity and partnership as a new social contract between the wealthy and disadvantaged groups of society with regard to housing. Given all the experience gained at the national and local levels, Egypt is currently embarking on integrating, upscaling and replicating these experiences at the national level. Central ministries (Ministry of Housing, Utilities and Urban Communities and the Ministry of Local Development) and authorities, as well as the various governorates, will address institutional, legal and management issues in order to enable local development initiatives.

92. Within the Western Asia region, there is a marked difference in social progress and the scale of poverty between the members of GCC and other countries. These wide regional disparities are paralleled by disparities within countries in several cases. While the majority of people in GCC have adequate shelter and access to basic urban services, health and education, in the other countries there are still gaps in meeting the needs of the population in spite of the policies put in place after Habitat II. In most countries in the region, the eradication of poverty has been tackled through comprehensive five-year development plans and bilateral projects. Environmental issues remain paramount in the region, where harsh climatic conditions are compounded by a scarcity of water resources. Environmental pollution in all urban areas, particularly due to the prolific use of the private automobile, and in coastal urban centres, ports dealing in the export of crude oil, is given increasing and special attention. Initiatives have been undertaken to support mechanisms for implementation of local Agenda 21s. The high rates of population growth, internal migration and immigration have contributed to the acceleration of expansion of cities in many countries of the region, particularly in the GCC subregion. One of the major issues is a lack of potable water for cities in the region.

Decentralization has been encouraged in many countries of the region, and legislation and policies have supported an overall visible change of women's role in the region, especially by the election of women as mayors or members of municipal councils.

93. In Bahrain, a number of important governance initiatives have been put in place recently and others are being developed. The new initiative is very much in line with the recommendations of Habitat II related to full participation of the public in the development process. Based on the experience of other countries that have applied the governorate system, the priorities are to introduce urban indicators within the work programme of the governorates; further transfer authority from the central to the governorate level; enhance the decentralization process; and increase public participation in decision-making, in particular on issues of direct concern to citizens.

Policy implications

94. Government representatives from local and national governments and representatives from the World Associations of Cities and Local Authorities Coordination met in Manama, Bahrain, on the occasion of the Western Asia regional preparatory meeting for follow-up to the implementation of the Habitat Agenda.

95. The Manama Declaration, adopted on 19 October 2000, reiterated support for the Habitat Agenda. It endorsed a rights-based approach to human settlements development and the campaigns on security of tenure and good urban governance. It further reaffirmed the role of cities as engines of growth and incubators of civilization; the interdependence between urban and rural areas; the need for policy to be based on enablement, partnership and participation; empowerment of civil society organizations; and the strengthening of local authorities as the principal partners of Governments in the implementation of the Habitat Agenda. It also reaffirmed the commitment to enabling and further enhancing the role of women in the decision-making process and to developing and adopting legislation to include all partners in implementation of the Habitat Agenda. It stressed the emphasis on the common commitment to the elimination of poverty and the living conditions of the poorest segments of society.

96. The Declaration also reaffirmed the region's commitments to the mobilization and efficient use of water and other vital resources, coupled with a pledge to provide safe water to all urban populations, including the poor. It also expressed a strong commitment to promote and be actively involved in the process of the proposed world charter of local self-government. Emphasis was also placed on peace as the essential precondition for sustainable and prosperous human settlements, and a request for support was expressed for regional and international efforts for the liberation of Palestinian cities and villages under occupation and of Jerusalem. The Declaration includes a commitment to more specific actions in support of the implementation of the Habitat Agenda in the region. It calls for specific action to establish, inspire and encourage new forms of cooperation, partnership and coordination at the country-to-country and city-to-city levels; to continue promoting, reviewing, monitoring and assessing progress made in implementing the goals of adequate shelter for all and sustainable human settlements development in the region; to review best practices, urban indicators, enabling policies, legislation and action plans for upgrading human settlements; to identify illustrative cities with

regard to the goals of the two global campaigns; and to further advance the normative debate on major human settlements issues in the region.

III. Overcoming common obstacles

97. Information was gathered during the first five years of implementation of the Habitat Agenda, and the national reports were especially useful for the analysis and deliberations of the five regional preparatory meetings. Some of the obstacles are known, but others are relatively new and are linked to the limited implementation of some of the key innovative principles of the Habitat Agenda. These challenges are presented in the draft declaration on cities and other human settlements in the new millennium which will be finalized by the General Assembly at the special session.

A. The growing gap between human settlements conditions and national responses

98. Current conditions of human settlements worldwide, as documented in the third *Global Report on Human Settlements*, are a cause of great concern. Despite the continued efforts of Governments and their partners, widespread urban poverty remains and the living environment has not been significantly improved in most countries since 1996. The improvement of shelter and human settlements conditions is a moving target that requires evolving responses based on the strategic principles adopted at Istanbul. In particular, there has been insufficient political will to implement the three enabling principles of the Habitat Agenda: partnership, participation and decentralization.

99. With regard to the first principle, what is still missing is translation into policy and practice of partnerships at the international, national and local levels between the private sector, Governments, local authorities and other actors of civil society, as outlined in Istanbul. It is in the interests of business to see that cities work. Strides forward have been made in terms of a growing legitimization of citizens' groups, grass-roots organizations and civic leaders, particularly at the local level. However, much remains to be done before the interests and aspirations of politically weak members of society can truly influence decision-making processes and legislative reform. Decentralization, as documented elsewhere in the present report, has also made significant steps forward since 1996. The major obstacle to effective decentralization, however, remains the gap between transfer of responsibilities and the devolution of powers, resources and revenue-generation mechanisms.

B. Insufficient information and awareness-raising

100. Gaps in public information and awareness-raising have resulted in insufficient political will and mobilization towards the implementation of the Habitat Agenda. This has been often the case at all levels: international, regional, national and local. Habitat II did succeed in calling the world's attention to the plight of slum dwellers and the challenges of an urbanizing world, but it did so precisely because it was a unique world event, 20 years after the international community had first recognized the importance and legitimacy of human settlements for the global development and cooperation agenda. The concerns that mobilized the world community in Istanbul,

however real and frightful in their implications, do not possess the same staying power as the equally important concerns about the global environment. Governments and partners need to give serious thought to this issue because it is only awareness that can determine an adequate level of attention of international agencies and political leaders to human settlements issues.

101. Concern has also been expressed by Governments and partners about the insufficient level of information on the Habitat Agenda itself and its goals. This can be attributed to lack of funds, competing international agendas and a general tendency to consider a global conference the conclusion of an effort rather than a platform for an internationally agreed action agenda. Least convincing is the argument that the Habitat Agenda is a complex document, difficult to assimilate and to reduce to a manageable case of precepts and solutions. The Habitat Agenda is a complex document and reflects the complexity and interrelatedness of human settlements problems and solutions. However, it has been summarized into 20 key commitments to facilitate the review process at the national level and to better disseminate its main messages. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to raise awareness about human settlements challenges and solutions through full and open dissemination of information, and committed themselves to renewing and fostering political will at all levels.

C. Lack of domestic financial resources

102. National and regional reports, particularly from developing countries, identify a lack of domestic financial resources as one of the most formidable constraints to national and local implementation of the Habitat Agenda. This is a persistent problem that has worsened in recent years. Policy shifts in virtually all countries, from direct intervention in the housing, services and infrastructure sectors to an enabling approach focused on decentralization, privatization and mobilization of community involvement, have not compensated for weakened central institutions and the decrease of public budgets in the human settlements sector. There has been a transfer of functions and responsibilities to local government without a transfer of funds and revenue-generating power. Another problem is the severe constraints facing housing finance mechanisms, whose ability to address the needs of lower-income groups is generally becoming weaker. This problem is also common in industrialized and transition economies, where the repossession of mortgage-acquired housing units has severely affected high numbers of lower-income households.

103. In a report prepared by the United Towns Organization for the second World Assembly of Cities and Local Authorities, held in Rio de Janeiro on 6 May 2001, local authorities defined the main principles of sustainable financing of urban development. While insisting on the need to strengthen local institutions, they also acknowledged that fund mobilization should start at the local level, both through taxation and user fees. They called for public-private partnership, particularly in the areas of water supply, electricity and telephone, and community involvement in basic social services. They emphasized the importance of good operation and maintenance of existing infrastructure and the legitimacy of borrowing for capital investment. As local authorities are becoming increasingly aware of their responsibilities in mobilizing domestic and sustainable resources for urban

development, a number of central Governments are developing enabling decentralization policies to ensure that financial resources of local authorities are commensurate with their tasks.

104. At the second session of the Commission acting as the preparatory committee, governmental delegations committed themselves to strengthening existing financial mechanisms and to identifying and developing appropriate innovative approaches for financing shelter and human settlements development at all levels. In addition, they resolved to undertake legislative and administrative reforms to give women full and equal access to economic resources. They resolved to promote increased and equal access for all people to open, efficient, effective and appropriate housing finance, to support savings mechanisms in the informal sector, where appropriate, and to strengthen regulatory and legal frameworks and financial management capacity at all appropriate levels. Recognizing that those living in poverty are in fact rich in innovative faculties and acknowledging the importance of microcredit in eradicating poverty and improving human settlements, and inspired by the success stories of some countries in this field, they encouraged Governments, within their legal framework, as well as national and international financial institutions, to strengthen the institutional framework so as to extend microcredit to those living in poverty, particularly women, without collateral or security.

Box 6

Urban poor community development revolving fund, Thailand

The urban poor community development revolving fund was established by the Thai Government in 1992 with a grant of 1,250 million baht, to be managed by a special government body — the Urban Community Development Office, which became the Community Organizations Development Institute in October 2000. The main objectives of the revolving fund are to provide low interest rate loans for community development projects, such as housing, income-generating activities and other city development and community enterprise projects. All administrative overhead costs, which must not be more than 4 per cent of the fund, are to be met from interest on the loans. The fund has enabled urban poor communities to access development resources and organize themselves into savings groups that help to improve their financial and managerial capacity for various community or even individual household activities. It has helped the urban poor build networks and partnerships for their overall improvement, knowledge-sharing and advancement — ably supported, managed and facilitated by the Institute.

This programme was so successful that by end-2000, the total amount of the revolving fund had grown by 36 per cent and activities had expanded to 53 provinces (out of 75) of the country. About 950 community savings groups and over 100 community networks have been set up. Various kinds of loans valued at more than one billion baht have been granted, and the loan default rate has averaged only 6.5 per cent. Total assets currently stand at more than two billion baht (equivalent to US$ 45 million).

D. Isolated good practices

105. In the shift towards the enabling approach and the implementation of the strategies recommended by the Habitat Agenda, cities and their civil society partners are assuming new roles and responsibilities. This is particularly apparent where partnerships are actively involved in areas that were assumed to be the purview of higher-level authorities in most countries, such as the design and delivery of social services; the creation of jobs and income-generating activities; housing, infrastructure and basic services; and information and communications technology.

106. The types of policy responses that are emerging as a result of the enabling approach appear to be much more holistic, as called for by the Habitat Agenda. This can be attributed to the participation of social organizations, including the private sector, which demand effective solutions to what they perceive as convergent rather than sectoral issues. In forging solutions, they play an active role in promoting dialogue, formulating socially oriented projects, mobilizing and leveraging public, private and community resources, and implementation. As a result, they not only influence policy but also create sustainable and replicable processes.

107. The past five years have marked an unprecedented flowering of local initiatives that have resulted in tangible improvement of the human settlements situations of communities in all regions and every country. However, the contribution of such experience to the implementation of the Habitat Agenda has been hampered by two constraints. First, the actual empowerment of local authorities to encourage local initiatives at the community level and their mainstreaming into local-level strategies and policies has not obtained the encouragement and support it deserves. Second, only a few Governments have managed to take advantage of successful local-level experiences and strategies by mainstreaming them into national legislation and national policy.

108. A major lesson learned in the analysis of documented best practices is that the strategic objectives of the Habitat Agenda are most effective in the context of local plans of action. National Governments, however, have yet to adopt concerted policy frameworks to maximize and leverage the impact of their sectoral investments. Piecemeal grants and transfers to local authorities to implement sectoral priorities are still common in most developing countries. The visioning and participatory planning efforts that have a proven track record in promoting coordinated and concerted action plans for more sustainable forms of settlements development are being hindered in many developing countries by a lack of reliable and predictable intergovernmental transfers and medium-term budgeting.

109. At the second session of the Commission acting as the preparatory committee, governmental delegations reiterated that Governments, local authorities and other Habitat Agenda partners should regularly monitor and evaluate their own performances, and that in the implementation of the Habitat Agenda, Governments at all levels should identify and disseminate best practices and apply shelter and human settlements development indicators. To that end, they need to strengthen the capacity among all Habitat Agenda partners to handle and analyse information as well as to communicate with each other. A further goal is to translate best practices into policies and enable their replication. In that respect, the international community should ensure the effective formatting and dissemination of proven best practices and policies.

E. Limited institutional capacity

110. Institutional reform, including structural adjustment and the restructuring of the public sector, must be accompanied by long-term capacity-building and human resources development. In Africa, where technical resources have always been concentrated at the level of the central Government, civil service reform has often left the central Government and local authorities with a lack of qualified personnel to meet the challenges of rapid urbanization and global change. Countries that have successfully made reforms need support to transform good policy into effective and sustainable results. Decentralization and the devolution of authority to lower tiers of government require a strengthening of centralized monitoring, evaluation and auditing, without which poor governance and management practices risk being perpetuated at the local level. Lessons learned in privatization of public services show the need for strong regulatory mechanisms to ensure the performance and sustainability of infrastructure development and maintenance, social inclusiveness and sustainable use of natural resources.

111. In conclusion, much has been done at all levels to promote the principles of partnership, decentralization, participation, capacity-building and networking, and to identify good practices in the combined implementation of these principles. Human and financial resources must be mobilized to expand the capacity of international agencies to promote the transfer of good practices, support partnerships in making good practices national policy, translate good policy into effective and sustainable action, and enhance the opportunities of the poor. At the second session of the Commission acting as the preparatory committee, governmental delegations encouraged authorities within metropolitan areas to develop mechanisms and to foster, as appropriate, legal, financial, administrative, planning and coordination instruments in order to achieve more equitable, ordered and functional cities. Delegations resolved to build capacities and networks to enable all partners to play an effective role in shelter and human settlements development. The management of urbanization processes requires strong and accountable public institutions that are able to provide an effective framework in which everybody has access to basic services. Capacity-building needs to be directed towards, inter alia, supporting decentralization and participatory urban management processes. Delegations also pledged to strengthen the institutions and legal frameworks that assist and enable broad-based participation in decision-making and the implementation of human settlements strategies, policies and programmes.

IV. Emerging priorities

112. Among the policy priorities that have emerged since 1996, five are particularly noteworthy and deserve a renewed commitment from the international community. They are related to urban governance, housing rights, basic urban services, urban safety and sustainable urbanization processes.

A. Urban governance

Promoting decentralization and strengthening local authorities

113. The debate on decentralization for sharing of obligations, competencies and revenues and on placing decision-making as close as possible to citizens has become very lively over the past years. Constitutional reforms that provide periodic elections, independent parliament, devolution of power and functions and responsibilities to local Governments have facilitated decentralization and strengthened local authorities. For instance, in South Africa and several Latin American countries, policy changes have been instituted by constitutional changes that provide planning, administrative and decision-making powers to local governments. In some cities, such as Amsterdam, neighbourhood councils have been introduced. Where municipal and district offices are more integrated into the planning process, there is more sustainability for programmes. Formal government reforms have also taken place at the metropolitan level, as in the case of the Greater London Authority and Metro Toronto. Systems of laws and budgeting procedures have been developed to support local authorities in undertaking new responsibilities. These systems have facilitated increasing the tax base for local authorities. Strategies aimed at fostering the relationship between national and local government have been reviewed in Bulgaria and the Netherlands.

114. However, city governments enfranchised by decentralization sometimes lack the experience and capacity to meet all demands. In spite of the transfer of tasks to local authorities, capacity does not necessarily match needs. It is important to strengthen the institutional and financial bases of local authorities to enable them to participate effectively in the development process and to train local leaders in areas of new responsibilities. There is a clear need to develop a platform for discussing issues that affect local governments and other stakeholders.

115. The uncertainties brought about by a global economy with independent urban centres require equitable distribution of resources and capacity-building programmes for weaker local authorities. Associations of local governments have proven to be effective in lobbying for decentralization, encouraging new approaches to sustainable urban development, promoting participation and transparency, and facilitating exchange of information. Several excellent capacity-building programmes have been initiated, for instance in the Philippines, Romania and Slovakia, where a local self-government assistance centre was established to help local governments become more effective, responsive and accountable. Incomplete and imperfect as decentralization processes may be, they are now the driving force of debates that address the efficiency of urban strategies and the whole fabric of national governance.

Encouraging participation and civic engagement

116. Popular participation and civic engagement in the management and improvement of villages, towns and cities was confirmed during Habitat II as crucial for the creation of better and environmentally sound conditions for settlements. This has been acknowledged by most countries as fundamental in the effort to create sound conditions for settlements management, economic growth and social cohesion. Many countries have also recognized that citizen participation is likely to promote efficiency and productivity, improve service delivery and increase

production, resource mobilization and accountability. Governments have tried at various levels to facilitate effective stakeholder consultative processes and the strengthening of political, administrative and financial interventions. Organizations have demanded greater participation in governance and the need for greater equity in the definition of investment priorities. These demands have created opportunities for low-income families to participate in their own settlement improvements. Many cities have encouraged community involvement in planning, budgeting, environment, basic services, crime and conflict prevention, and disaster preparedness. Examples include citizens' involvement in budgeting in Porto Alegre and Belo Horizonte, Brazil, and local Agenda 21 campaigns in Bolivia, South Africa and a large number of European countries.

117. Despite a growing recognition of its importance, citizens' participation in the decision-making process is often limited because of uncoordinated and piecemeal action and a lack of accountability of elected leaders. Citizens often participate only when a relevant organization supports a particular interest. Women remain under-represented in most governing institutions within cities, although some remarkable progress has been made in the Scandinavian countries and Namibia. It is important to develop policies that promote a gender balance in decision-making by facilitating the participation of women in urban decision-making. Programmes in India and Uganda have demonstrated the benefits of these policies. At the second session of the Commission acting as the preparatory committee, governmental delegations committed themselves to the goal of gender equality in human settlements development and to promote gender equality and the empowerment of women as effective ways to combat poverty and stimulate the development of human settlements that are truly sustainable. They further committed themselves to formulating and strengthening policies and practices to promote the full and equal participation of women in human settlements planning and decision-making.

118. The challenge is to ensure that decisions are made in full collaboration with all relevant stakeholders, including women's groups, neighbourhood organizations and associations of small businesses and non-governmental organizations. Local authorities need to build on the comparative advantages of these urban actors. The need has also been recognized to enhance the capacity of low-income groups to participate in the complex and political development processes and to strengthen civil society. Forums for participation, such as the People's Council instituted in Naga City, the Philippines, as well as networks of local organizations, address such gaps. In countries with a long tradition of decentralization, the challenge is to involve more stakeholders in decision-making and follow-up of development policies. The city of Bologna is using information technology to foster citizen participation in urban governance by improving access to municipal information and promoting dialogue between citizens and municipal authorities.

Ensuring transparent, accountable and efficient governance

119. Cities are expected to become efficient in the management of revenue and expenditures, the administration of services and the enablement of government, the private sector and communities to contribute to the urban economy. Issues of efficient governance have been addressed by a set of joint practices of collaboration between public and private bodies at various levels, including public-private partnerships, contractual procedures and co-funding mechanisms. Experiences in the United Kingdom and the Philippines illustrate the benefits of such innovations.

120. Efficiency and accountability are seen as two of the most fundamental tenets of good governance. Unaccountable and corrupt city management can undermine credibility and can increase urban poverty. All countries recognize a need to address the issue of corruption, which undermines the efficient use of resources for social development. Transparency is essential to understand local government and who is benefiting from decisions and actions. Access to information and free media are fundamental to that understanding. It has been recognized that growth of citizen consciousness increases the perception of the importance of transparency. One of the concerns emerging is how to broaden consultation mechanisms and allow maximum participation at the local level, which is likely to promote efficiency and productivity, improve service delivery and increase production and resource mobilization and accountability.

121. Practical means of raising transparency and accountability include transparent tendering procedures; independent auditing; elimination of incentives for corruption; providing for regular disclosure of the assets of public officials and elected representatives; public feedback mechanisms, such as report cards; publication of documentation on the entire planning and participation process, both in large and small-scale projects; and encouraging debate about local government and urban issues in the media. Issues of transparency require declaration of any possible conflict of interest. Ethical principles for local government have been promoted in El Salvador and Zimbabwe. The experience of Penang, Malaysia, illustrates the benefits of transparent local government and citizens' participation in a broad range of areas that affect the city's development agenda.

Box 7

Participatory urban action for poverty reduction, Villa El Salvador, Peru

The participatory process concerns the development planning and administration of the city of Villa El Salvador (part of Lima metropolitan area), and has involved local authorities, NGOs and actors of civil society, after a long terrorism period which has severely damaged both the fabric of social and leadership organizations, and the infrastructure network. Through this initiative, a series of consultations and decisions have been conducted throughout the different sectors of the population, including women and youth. To assume not only an urban but also an integral development concept, the population has been asked to contribute directly to delineating public policies and finding solutions to the problems faced in each neighbourhood, district and city. Likewise, different segments of civil society, leaders, professionals and specialized institutions were involved in the definition of the participatory budget 2000 as well as the year 2010 prospective vision.

Global Campaign on Urban Governance

122. Launched during the year 2000 by Habitat, the Global Campaign on Urban Governance aims to make a significant contribution to improving the quality of life in cities for all, especially the urban poor, through improved urban governance. The overall theme of the Campaign is "Inclusion", which describes both the process of good urban governance, which is that all citizens — including the poor and marginalized — should have a voice in city affairs, and the outcome, which is that the excluded should benefit in terms of the improvement of their living conditions. The norms are intended to be interpreted by each country and city in the context of their particular legal, historical, cultural and institutional circumstances. Significant progress has been made in implementing the Campaign's three strategies of normative debate, advocacy and capacity-building during the last 18 months.

123. Habitat and its Campaign partners have developed a set of globally applicable norms defining good urban governance: sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and security. These principles are not intended to promote a single, undifferentiated model of development, nor are they intended to be internationally legally binding. They were presented and debated at regional and national meetings, including in Nepal, the Islamic Republic of Iran, China, Brazil, Chile, South Africa and Nigeria. The Campaign's advocacy component is being promoted through national campaign launches, which were concluded in India, the Philippines, Indonesia, Nigeria and the United Republic of Tanzania. The Campaign was officially launched in Latin America and the Caribbean during the regional preparatory meeting held in Santiago in October 2000. The advocacy element is also being supported through the production of policy papers, such as the draft document on women in urban governance, to be followed by a paper on the role of children and youth in urban governance. To support local level capacity-building, the Campaign prepared a toolkit for participatory decision-making and is establishing a network of inclusive cities, that is, cities committed to promoting social inclusion. They will demonstrate in practical terms the benefits of good urban governance for the reduction of urban poverty and social marginalization.

124. In addition, the Campaign's global and regional institutional framework has been established and includes two components: a global steering group responsible for guiding the overall development of the campaign and regional steering groups responsible for implementing the campaigns at the national and local levels according to local priorities. Initial regional meetings were held in Africa, Asia and the Pacific, and Latin America and the Caribbean.

125. Many countries have taken significant steps to promote decentralization and strengthen local authorities; to encourage and support participation and civic engagement; and to ensure transparent, accountable and efficient governance of cities. While a consensus on normative principles for good urban governance is emerging, the implementation modalities vary widely between regions and between countries and cities. The past years have also shown that reforming systems of governance and strengthening local action is a slow process. Continued efforts are needed to intensify debate on urban governance; to advocate for further change in values, behaviour, attitudes and approaches at the national and local levels; to develop appropriate practical means and tools; to encourage wider application of

successful practices; and to build the capacity of all actors concerned in the promotion of good urban governance.

126. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to intensify efforts for ensuring transparent, responsible, accountable, just, effective and efficient governance of cities and other human settlements. Most delegations recognized that good governance is essential to addressing the challenge of urban poverty as well as the challenge of environmental degradation and to harnessing the potential opportunities offered by globalization. Cities need specific approaches and methodologies to improve governance; to plan and act strategically in order to reduce urban poverty and social exclusion; and to improve the economic and social status of all citizens and protect the environment in a sustainable way.

B. The right to adequate housing

127. Despite the considerable progress accomplished in improving housing conditions in many parts of the world, more than one billion people still live in inadequate housing, with no or limited access to basic services. Furthermore, it is estimated that there are more than 100 million homeless people around the world, most of them living in developing countries.

128. The issue of the right to adequate housing is addressed specifically in paragraph 61 of the Habitat Agenda, which states that since the adoption of the Universal Declaration of Human Rights in 1948, the right to adequate housing has been recognized as an important component of the right to an adequate standard of living. In the same paragraph, the Agenda recognizes the responsibility of all Governments in the shelter sector. It also stresses an enabling approach to the provision of adequate housing, which requires action not only by Governments but by all sectors of society and partner organizations. It is in that context that Governments, in the Habitat Agenda's own words, should take appropriate action in order to promote, protect and ensure the full and progressive realization of the right to adequate housing.

129. The Habitat Agenda is careful not to create unrealistic and unforeseeable expectations. The objective of the right to adequate housing does not mean direct and instant provision of adequate shelter to all. The Habitat Agenda does, however, create an obligation for Governments to create conditions for realistic achievement of this objective. Three categories of actions are identified under this priority area. They are defining the normative framework, supporting civil society organizations and coordinating international action.

Box 8

South African housing policy: operationalizing the right to adequate housing

Section 26 of the Constitution of South Africa grants everyone a right to have access to adequate housing and to protection from eviction without due process of the law. These principles are further entrenched in the Protection Against Illegal Eviction Act (1999), the Interim Protection of Informal Land Rights Act (1996), the Rental Housing Act (2000) and the Housing Consumer Protection Measures Act (1999). The national housing policy initiated several approaches to support individual and community initiatives towards realization of these rights. The People's Housing Process encourages and supports individuals and communities in their efforts to fulfil their own housing needs by assisting them in accessing land, services and technical assistance in a way that leads to the empowerment of communities and the transfer of skills. Furthermore, since the democratic elections in 1994, the Government, in partnership with communities, the private sector and NGOs, has provided subsidies for more than 1,129,000 houses with secure tenure to the poorest of the poor in both urban and rural areas. Aware that the society has predominantly women-headed households, the policy supports gender-sensitive approaches in all phases of housing delivery.

Defining the normative framework

130. The conceptual framework of the human right to adequate housing has expanded. In rising to the challenge of creating an enabling environment to promote the right to adequate housing, Governments have become aware that concerted action is required in the promotion of secure tenure, replacing arbitrary forced evictions with negotiated resettlement, the promotion of open land markets to reduce the potential for corruption and speculation and, most vitally, the provision of affordable, well located land for human settlement by the poor. There is a need to systematically remove discrimination against women, particularly in respect of their ability to hold a title in their own name and to be treated equally in questions of inheritance. These elements are the priorities in realizing the right to adequate housing.

131. Many Governments, in their efforts to implement the Habitat Agenda, have taken positive steps by facilitating improvement in the housing development process, promoting better housing standards and the right to adequate housing.

Supporting civil society organizations

132. The right to adequate housing has a more prominent place in the industrial and developed countries than in other parts of the world. Although the right to housing has not been part of national legislations with a specific focus and provisions, its context has been addressed in general legislation on real estate, property, housing loans and tenant protection. Most industrial countries have a long history of social housing in which the needs of the poorest and most disadvantaged groups are addressed through subsidies, allowances and arrangement of affordable (subsidized)

rental units. Many of these countries are strengthening their approaches towards homelessness and prevention of discrimination in housing by addressing the issues and problems created by immigration, including refugees and asylum seekers.

133. Regions confronted with civil conflict and ethnic clashes have witnessed gross violations of human rights and housing rights. Meeting the housing needs in these regions has been an additional challenge to the international community. In Kosovo, the Housing and Property Directorate and the Housing and Property Claims Commission have recently been established as institutional mechanisms to address such issues. The need to support reconstruction initiatives is the most critical aspect of peace-building. Securing housing rights in developing countries is part of the urbanization process. Upgrading and regularization of informal settlements is a priority, although many local authorities do not have the capacity or the resources to manage burgeoning informal settlements and slums. It is apparent that secure tenure and the extension of basic services have a dramatic effect on the lives of ordinary people. Local authorities that recognize the permanence of the urban poor and work with their organizations have made real progress in reducing tension and creating an enabling environment. Furthermore, in the interests of affordable housing for the poor, the Preparatory Committee at its second session recommended promoting cooperation among countries to popularize the use of adequate low-cost and sustainable building materials and appropriate technology for construction of adequate low-cost houses and services within the reach of the poor especially in slums and unplanned settlements.

134. Another important element in the promotion of the right to adequate housing is the eradication of gender inequalities and equalization of opportunities for women. Many Governments have focused on gender inequalities in addressing human rights issues. Prompted by the preparatory process for Habitat II and stimulated by the Fourth World Conference on Women, held in Beijing in September 1995, the international community began to address the issue of women's equal right to land, housing and property, including equal inheritance rights. This has gained momentum since Habitat II and is becoming one of the single most important policy issues in the provision of adequate shelter for all. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to promote changes in attitudes, structures, policies, laws and other practices relating to gender in order to eliminate all obstacles to human dignity and equality in family and society and to promote full and equal participation of women and men, including in the formulation, implementation and follow-up of public policies and programmes.

Box 9
Upgrading and regularization of informal settlements, Dakar, Senegal

During the last five years, upgrading experience in Dakar has focused on strengthening local and community capacities to develop participation and cooperation between all levels aiming to regularize informal areas and to improve the economic situation of the poorest of urban inhabitants. The methodology involved the creation of partnership relations between elected representatives and residents. The participative approach has considered economic development of informal areas as a priority, not only through facilitating access to basic infrastructures and services but also through job creation and income-generation activities. This was achieved through community-building and peer training. The Dakar city-wide upgrading programme was undertaken by the Government of Senegal, with support from the Kredit Arstalt für Wiederaufbau and the Deutsche Gesellschaft für Technische Zusammenarbeit, and delivered security of tenure, water and electricity, access roads, sanitation and drainage, basic amenities and land for extension of the neighbourhoods. The experience gained in the Dalifort project gave birth to the national support fund for rehabilitation and regularization of the informal settlements. The foundation for the right to the city was set up to facilitate knowledge-building, resources mobilization and the nationwide upscaling of slum-upgrading activities. Beyond Dakar, successful interventions targeted Pikine, Bignona, Richard Toll and Saint-Louis, and impacted more than one million inhabitants.

Coordinating international action

135. There is increasing focus by civil society organizations in the field of the right to adequate housing. Such organizations as Oxfam, Human Rights Watch, the International Federation of Red Cross and Red Crescent Societies, the Asian Coalition for Housing Rights, Habitat International Coalition and the Centre on Housing Rights and Evictions have been active since Habitat II in housing rights monitoring and advocacy. The contribution of Habitat International Coalition to Habitat II in the form of a paper entitled "The people prepare for Habitat II: The right to shelter" opened the way for making peoples' voices heard by policy makers. Civil society organizations debate and report on the relationship of human rights violations, including evictions and social exclusion, to the vicious circle of poverty and social injustice. Some of these organizations have been active in the Global Campaign for Secure Tenure.

136. Involvement of United Nations agencies in the area of human rights has expanded considerably in recent years. Most agencies have incorporated human rights themes within their work programmes. The decision taken by the Commission on Human Rights at its fifty-sixth session, in April 2000, to appoint a special rapporteur on the right to adequate housing is a very important indicator of the increasing focus of the international community on this issue. An international

framework is being defined within the United Nations, through the Commission on Human Rights and the Commission on Human Settlements, which will support the realization of the right to adequate housing at the country level.

Global Campaign for Secure Tenure

137. The Global Campaign for Secure Tenure was launched by Habitat during the year 2000. The design phase of the Campaign was finalized at a meeting held with key partners from Latin America, West Africa, Southern Africa, South and South-East Asia in April 2000. The Campaign was formally launched in Mumbai, India, on 16 July 2000 at a ceremony involving slum dwellers, all three tiers of the Government and a host of international organizations and delegations of member States. Federations of slum dwellers from 12 countries in Africa and Asia and from 26 cities in India participated in the Mumbai launch, using it as an opportunity to further the Campaign in their respective countries/cities. The Campaign was subsequently launched in Kosovo (Pristina, 17 August), Europe (Paris, 14 September), South Africa (1 October), Latin America and the Caribbean (27 October), and the Philippines (Manila, 25 November). The launches in Europe and Latin America contributed directly to the regional preparatory meetings for the special session.

138. As a follow up to these activities, Habitat, Slum Dwellers International and the World Bank have jointly initiated a programme to develop pilot slum upgrading initiatives in Mumbai, Manila and Durban. Financed by the Cities Alliance, the programme is designed by organizations of slum dwellers, support NGOs and Governments. A direct by-product will be the strengthening of interregional networks of organizations of the urban poor and associations of local authorities, and coordination among international development cooperation agencies. Also as part of the Campaign, Habitat has produced a series of policy papers dealing with secure tenure, basic services and housing rights.

139. At the second session of the Commission acting as the preparatory committee, governmental delegations took note with satisfaction of the ongoing housing policy formulation by many countries. They further resolved to undertake legislative and administrative reforms needed to support the efforts of people, individually and collectively, to produce affordable shelter, to adopt proactive planning of land supply, to promote the efficient functioning of land markets and administration, to eradicate legal and social barriers to the equal and equitable access to land, and to ensure that equal rights of women and men to land and property are protected under the law. In implementing the above, they acknowledged the need for vigorously promoting affordable shelter and basic services for the homeless, preventing forced evictions that are contrary to the law and facilitating access of all people, particularly the poor and vulnerable groups, to information on housing legislation, including any legal rights, and to remedies where such laws are violated. In this connection, they noted with appreciation and supported the initial approach and activities of the Global Campaign for Secure Tenure. They also resolved to empower the poor and vulnerable through, inter alia, promoting greater security of tenure and enabling better access to information and good practices, including awareness of legal rights.

C. Basic urban services

140. Adequate and affordable basic services for the urban poor, such as water supply, sanitation, waste management and transport and mobility, are central to promoting environmentally sustainable, healthy and liveable human settlements. Yet, five years after the adoption of the Habitat Agenda, this goal remains a distant reality in almost all developing country cities of the world. Rapid urban growth has outpaced the capacity of urban authorities to provide and maintain basic civic services. The result is a lowering of the quality of life, reduced urban productivity, an increased burden of health care and unmitigated environmental pollution. Inner city slums and squatter settlements are growing at nearly double the rate of the formal city. Currently, these settlements accommodate between 30 and 60 per cent of urban populations in developing countries. Even more importantly, between 70 and 90 per cent of future urban growth is likely to take place in these settlements. The low income households inhabiting these settlements live in the most polluted and inaccessible areas, frequently at risk from flooding and landslides, or in areas contaminated with waste. With uncertain or illegal land tenure, these low income, high-density settlements lack the most basic infrastructure and services. It is now increasingly recognized that the challenge of attaining the goals of the Habitat Agenda will have to be met primarily in these peri-urban settlements. Some of the policy priorities that have emerged since Habitat II from intergovernmental consultations and the experience gained by Habitat through technical cooperation are summarized below.

Improving management of basic services

141. The current wide disparity of services provided to urban and peri-urban settlements (with sanitation and waste management that falls well behind water supply in most cities, the continued neglect of surface drainage and inadequate transport services that fail to meet the needs of the urban poor) poses a wide range of challenges that call for the urgent integration of all basic services into overall urban planning. The key policy objective is to improve effectiveness, efficiency, equity and sustainability in service delivery. Future investments should be directed to cost-effective repairs and rehabilitation of existing infrastructure and services before adding new services that cannot be maintained. Management of the growing demand must also be addressed as a priority. Demand management delays new investment in water projects and significantly reduces the cost of wastewater treatment. Similarly, transport demand management can stimulate creation of sustainable transport modes.

142. Public-private partnerships can bring efficiency gains in the transport and water sectors, and effective regulatory control can ensure that poor neighbourhoods are not neglected. A strong political commitment, transparency in management and sound strategies will be needed to attract more private sector investment in urban services.

143. Community participation in the provision and management of basic services can go a long way towards cost recovery and long-term sustainability of services. Policies and programmes should focus on building capacity at the local level for effective community participation in the planning, provision and management of infrastructure and services. The women of the community can be important agents for change. Correcting the current gender imbalance is an important challenge. At

the second session of the Commission acting as the preparatory committee, governmental delegations acknowledged volunteer work of community-based organizations. Voluntary practices offer an important contribution to the development of human settlements, as they help to build strong, cohesive communities and develop a sense of social solidarity, generating in the process significant economic outputs.

Investing in the urban poor

144. The urban poor, living mostly in peri-urban settlements, should receive the highest priority in deciding on future investments and institutional capacity-building for the delivery and management of urban basic services. Key issues to be addressed in this context are housing rights (including secure tenure), realistic pricing of services, reliability and level of service, and choice of technology. Policy makers need to be aware that investment in infrastructure, unless properly directed, does not necessarily lead to better services for the urban poor. The social and environmental health implications of new investments in infrastructure need to be evaluated to assess their impact on the urban poor. A clearly articulated infrastructure investment policy for urban basic services could play a crucial role in the reduction of urban poverty.

145. The vast majority of the urban poor are forced to rely on small-scale private sector or community-based service providers (water vendors and informal transport to be seen in all developing country cities) for urban basic services. Priority should be given to supporting these providers with access to finance on flexible terms. Also, better regulatory control of this sector will help to improve the quality of service to the urban poor at prices they can afford.

Promoting innovative financing mechanisms

146. The private sector can bring in investments for urban basic services. Its role has expanded in recent years in the water and transportation sectors. However, its participation in the extension of services to the urban poor remains a controversial issue, interrelated with pricing and cross-subsidy policies. Experience has been gained with a wide range of innovative financing mechanisms for urban basic services (Mvula Trust in South Africa, the Grameen Bank scheme in Bangladesh, the Swiss-based RAFAD scheme, Women's World Banking etc.). Non-governmental organizations and community-based organizations can play an important role as intermediaries in these schemes. Innovative financing of basic services for the urban poor should receive priority in policy formulation and pilot projects.

Box 10

City-wide sanitation, Mumbai, Pune and Bangalore, India

The programme, started in smaller cities, aims to improve the sanitation situation in slum neighbourhoods, at a city-wide level, as a first step towards further and larger slum upgrading strategy. It has been initiated by SPARC and Mahila Milan, two NGOs, and NSDF, a community-based organization. In 1997-1998, it was extended to three major metropolitan cities, Mumbai, Pune and Bangalore, when discussion of creating partnership between the city and the community with support from the state governments began. Today, all three cities have a partnership with the above-mentioned NGOs and NSDF to provide universal sanitation to informal settlements. Each city has developed a different strategy to manage financial resources; however, the fact that communities and NGOs design and manage construction is common to all. The most important impacts of this upscaling include:

- Community leadership and the municipal corporation work together on tenure and basic services;
- Sanitation has become a demonstrable governance issue;
- Communities of the poor are being trained in employment and revenue generation.

Supporting local initiatives

147. The urban poor in peri-urban settlements are often de facto managers of the local environment. The major motivation for local environmental initiatives, however, comes from the income-generating possibilities that such activities offer to poor households. Communities in many developing country cities have demonstrated that they can contribute significantly to the management of the local water supply, sanitation and solid waste disposal. The informal transport sector has also shown considerable potential for generating employment for the urban poor. These activities reduce the burden of local authorities and help to keep the local neighbourhood environment clean and provide significant opportunities for additional income and employment generation for the urban poor. Local authorities can play an important role in providing training, technology and markets to promote these local initiatives.

Promoting enabling strategies

148. The experience of the implementation of Habitat Agenda over the past five years in the area of urban basic services by local and national governments has been enriched by initiatives for the implementation of Agenda 21 at the local level. There is now a better understanding of the key urban governance issues that affect the delivery and performance of urban basic services. For example, for most Governments the question is no longer why or whether to involve the private sector, but rather how and when. The decentralization of central government functions to the local level has also been accepted by most Governments as a priority. There is also wider recognition of the importance of involving local communities in

operation and management of services at the neighbourhood level. Empowering women is also now an accepted concept. Clearly, the priority should shift to mainstreaming these concepts into national policies and legislation and demonstrating the validity and sustainability of these approaches through well conceived programmes and projects at the local level. Institutional capacity-building and related human resource development should be an integral part of this process. International development agencies, including Habitat, have a strategic role to play in this process.

Box 11
Urban poverty reduction programme, Morocco

The programme, launched in 1998, focuses on building local capacities to develop operational partnerships to address social development and the eradication of urban poverty. The pilot phase is implemented in three large cities: Casablanca, Marrakech and Tangier. The methodological framework brings together all relevant actors to develop city-wide and neighbourhood action plans and to formulate, implement and monitor operational projects, particularly on income generation, improvement of housing conditions and access to basic services. Special attention is given to participation of beneficiaries in decision-making, NGO capacities to formulate and implement projects and local government's capacities to facilitate partners' involvement and coordinate participatory strategic planning. Upscaling developments include the creation of the national social development agency to support initiatives of local partners and a national programme by the Ministry of Regional Development to build capacities of local governments. In relation with the programme, Marrakech will host the fourth International Forum on Urban Poverty in October 2001.

149. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to promote access to safe drinking water for all and to facilitate the provision of basic infrastructure and urban services, including adequate sanitation, waste management and sustainable transport, which is integrated and accessible to all, including people with disabilities. To that end, they agreed to promote transparent and accountable management of public services as well as partnerships with the private sector and non-profit organizations for the delivery of these services.

D. Civil conflicts and urban violence

150. In contrast to the growing welfare and peace in countries in the North, regional conflicts and civil wars have continued to affect countries in the South due to nationalism, territorial disputes, dictatorial rule, religious or ethnic differences and regional or international claims on natural resources. In Africa, more than 10 countries have been adversely affected in the past five years by war or civil strife. A prime example is the Democratic Republic of Congo, where more than six countries

have fought over resources in one way or another. These conflicts pose a considerable obstacle to economic and social development. They have maimed and killed millions of people, brought about the phenomenon of child soldiers, destroyed cities, generated hate for generations to come, and undermined both the democratic process and the spirit of cooperation. In addition to war, financial deregulation and the weakness of unconsolidated States are leading to the growing globalization of organized crime. Coordination among Member States on money-laundering is one of the responses sought to this phenomenon. The Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Vienna in April 2000, was devoted to this issue and recommended strong cooperation between countries and precise measures to face organized crime. Violent and petty crime have also contributed to the deteriorating quality of life in many countries. However, crime rates have differed between regions. During the second half of the 1990s, countries in the North saw a stabilization or a gradual drop in crime. Countries in the South have shown increased rates of urban crime and an exponential rise in juvenile crime that has risen worldwide to the point that the age of reference for juvenile delinquency has dropped to an average of 12 years. The degree of violence in crime has intensified globally, resulting in general insecurity, reinforcement of urban segregation, stigmatization of neighbourhoods and communities, lawlessness, waste of economic and social resources, reduction of social capital of the urban poor and escalation of the overall costs associated with insecurity. Widespread development of private security companies, whose staff levels often exceed those of the police, has been one of the most visible responses to escalating crime. However, their restricted coverage has a limited impact on crime control. Crime caused by social exclusion, the crisis in criminal justice systems, arms trafficking and poorly managed urbanization is undermining the social fabric of cities, reinforcing urban segregation and general feeling of insecurity. This is manifested in the incidence of mob justice. Given the irreversibility of urbanization trends, the sustainable future of cities will depend on their ability to ensure a stable and safe environment for all. Unfortunately, the opposite is often true today in cities that intensify social exclusion and in so doing create an environment for crime and a culture of fear.

Rebuilding communities after conflicts

151. External support agencies have been increasingly called upon to provide support in complex post-conflict and emergency situations. Human settlements agencies and institutions have been playing an increasingly important role because local authorities and municipalities are the first to suffer from such situations. While initially focusing on rehabilitation of community shelter and infrastructure, their role covers a whole array of components contributing to reconstruction and peace-building. Interventions to rebuild municipal structures and local democracy and to build a capacity for local development management are at the core of the recent interventions by United Nations and external support agencies in East Timor, Kosovo, Sierra Leone and Somalia. Secure tenure and the rehabilitation and regularization of housing, property and land rights based on community participation are a key element in peace and community building and in renewing confidence in investment and economic activities.

152. The recent adoption by the General Assembly of the report of the Panel on United Nations Peace Operations opens a whole range of opportunities for bringing together the principles of the Habitat Agenda on disaster and conflict mitigation and

rehabilitation, with a system-wide approach to peace building and conflict prevention (see S/2000/809 and 1081). Human settlements inputs to monitoring and conflict prevention, as well as peace-building, are essential for success. At the second session of the Commission acting as the preparatory committee, governmental delegations also identified that serious financial constraints give rise to acute problems of adequate shelter, housing and human settlements in countries which receive an influx of refugees resulting from ongoing conflicts, human-made and natural disasters, and other calamities taking place in neighbouring countries.

Promoting partnerships for urban safety

153. In response to insecurity, some countries have adopted crime control measures and promoted close cooperation with local authorities in order to establish partnerships for safer cities. This has provided an enabling environment for initiatives focusing on youth, protection of city centres, violence against women, incorporation of traditional leaders in justice delivery, support to vulnerable families, assistance to victims of violence and the creation of municipal police. Cooperation between countries to control small arms trafficking has developed recently. Substantial headway has been made in the Organisation for Economic Cooperation and Development (OECD) countries, where crime prevention at the city level through community policing, criminal justice reform, partnership approaches and measures to discourage urban and domestic violence have led to a noticeable change in perceived levels of crime.

154. In North America, such cities as Baltimore, Boston and Chicago have developed successful crime prevention programmes, making crime prevention everyone's business. In Canada, the tradition of prevention has been maintained and some new practices have emerged, such as safety audits for women and restorative justice in such cities as Calgary, Montreal, Quebec, Toronto and Vancouver. Municipal programmes on crime prevention and control continue to focus on juvenile crime and violence against women. Many municipal police services have been experimenting with community policing approaches. In Western Europe, new approaches have been developed, such as the Crime and Disorder Bill initiative (United Kingdom), decentralized creative crime prevention policies (Barcelona, Frankfurt, Turin) and local safety contracts promoted by Governments (Belgium, France). City networks have increased, as has the exchange of experience and practices through, for instance, the European Forum for Urban Safety, which includes 200 European cities. In Asia, the experience of the Japanese police (Kobans), who work closely with the population, has largely contributed to a guaranteed level of security. This is also the case in Singapore.

155. In the South, the safer cities approach pioneered by Dar es Salaam and Johannesburg has been replicated in Abidjan, Antananarivo, Bamako, Cape Town, Dakar, Durban and Yaoundé. These approaches have also been disseminated through the first international conference on urban security ever held in a developing country (Johannesburg, 1998).

156. All of these initiatives, in line with the Economic and Social Council recommendations issued in 1995, have followed a systematic process designed to nurture local crime prevention capacities through the following phases:

(a) The identification and mobilization of key partners at the local level;

(b) A rigorous appraisal of the crime situation through a local diagnosis of insecurity;

(c) The formulation and development of local plans of action which identify clear and measurable priorities and programmes that address the causes of crime;

(d) The implementation of local plans of action.

Focusing on youth and women

157. Countries engaged in civil conflict should constitute the most urgent priority. In addition to the destruction of cities and human settlements, killings, injuries and destruction of resources, these conflicts have created thousands of refugees and have spread small arms to the cities of neighbouring countries. It is worth mentioning that small arms have also contributed to a rise in urban crime in many countries. In Africa, for instance, the major cities of Cameroon, Côte d'Ivoire, Kenya, Mali, Nigeria and South Africa have been severely affected.

158. Juvenile urban crime has increased everywhere. Experience shows that the increase of youth crime and violence and its multifaceted manifestations force cities to develop local responses which involve all city actors. Approaches focusing exclusively on repression and imprisonment lead in the long term to stigmatization of youth. On the contrary, preventive programmes lead to inclusion if they are well designed and implemented. For instance, the ongoing practice in Port Elizabeth, South Africa, where criminal justice systems, local authorities, social services and community organizations are cooperating in addressing youth delinquency issues by promoting re-education programmes, highlights the viability of this inclusive approach. In developing countries and countries in transition, various programmes addressing street children or youth at risk illustrate the potential of preventive methods.

159. The issue of family violence, far from being limited to the private sphere, affects society as a whole. It is estimated that on the average, family violence affects at least 30 per cent of families worldwide. Among its multiple causes, the most important is the traditionally male-dominated culture. Suffering from violence puts psychological and physical restraints on women that prevent them from pursuing their daily life: taking care of the home, going to work etc. Children born and raised in violent homes are prone to violence themselves and suffer from physiological and psychological damage. The phenomena of street children and prostitution are a common outcome of violence in the home. The inclusion of women ensures progress of society as a whole, but this cannot be achieved by legislation or by women themselves. It is crucial to create awareness and to bring about a change in men's attitudes. Approaching this problem at the local level is essential. Emergency services for victims, programmes addressing perpetrators, preventive actions to sensitize and educate, and specific training for police officers have been created in several countries. The example of the non-governmental organization ADAPT in Johannesburg, which attaches as much importance to comforting victims as it does to helping and re-educating offenders, highlights the potential of this approach. At the second session of the Commission acting as the preparatory committee, governmental delegations reaffirmed that the family is the basic unit of society and as such should be strengthened. Human settlements planning should take into

account the constructive role of the family in the design, development and management of such settlements. Society should facilitate, as appropriate, all necessary conditions for integration, reunification, preservation, improvement and protection of the family within adequate shelter, including access to basic services and a sustainable livelihood. Delegations also resolved to encourage social and economic policies that are designed to meet the housing needs of families and their individual members, with particular attention to the care of children.

Decentralization as a key factor in civil conflict and urban violence prevention

160. Research and recent experience consistently indicate that the more democratic and open societies are, the more stable they are and the greater their capacity to avoid conflict and civil strife. A key feature of strategies for conflict prevention is building the capacity of local governance institutions and networks. By the same token, post-conflict rehabilitation should give priority to the strengthening of local institutions in order to ensure their sustainability and avoid a relapse into conflict and war. Human settlements agencies and institutions should thus be actively engaged in developing good governance practices, particularly in States with high instability indicators.

161. Lessons learned from experience indicate that without urban safety, cities' economic growth and social peace are threatened as well as the democratic institutions and the local social fabric. Urban safety is a common good which has to be protected. On the other hand, the increase of crime and its continuously renewing manifestations force cities to identify local multiple causes and to develop local responses involving all partners. Police should not be held solely responsible; security should be everybody's business. Growing private security systems show little efficiency outside limited boundaries and highlight the risk of a profit-oriented approach to matters of urban security. Experience indicates the promising perspective of city-wide approaches to urban crime prevention, when developed in partnership with the local actors and the support and collaboration of the central Government. An appropriate institutional framework for decentralization should facilitate partnerships between central Governments, cities and civil society organizations in addressing crime and its causes.

162. Lack of capacity in developing countries at the levels of local authorities and criminal justice systems also impede the development of local approaches. Exchanges of experiences and expertise, as requested by local authorities, should be encouraged. Experience also illustrates the importance of cooperation between countries, international police authorities and international financial institutions to address organized crime, in line with the recommendations of the Tenth United Nations Congress and to eradicate small-arms trafficking.

Box 12

Integral upgrading programme in Medellín, Colombia

The Holistic Upgrading Programme for Incomplete or Inadequately Serviced Communities of Medellín (PRIMED) is a strategic alliance between municipal, national, community, private and international cooperation entities. Within this alliance the comparative advantages of each level of authority and each partner are combined in order to ensure a better quality of life for 140,000 inhabitants living in 30 inadequate settlements. This is done through participatory community development projects, the improvement of physical urban infrastructure (roads, community facilities, public services etc.), housing upgrading schemes, new construction and relocation and the integral legalization of tenure.

A first phase was developed from 1993 to 1999, addressing the needs of 55,000 inhabitants, localized in 15 settlements, and mobilizing a total investment of 52 billion pesos, with financial support from Germany. The second phase is to be developed between 2000 and 2004, with a total investment of 43 billion pesos (roughly US$ 20 million), through which 140, 000 inhabitants, localized at the periphery of Medellín will be supported.

PRIMED is an inclusive programme which has been based from the start on community participation and on a strong inter-institutional and intersectoral collaboration. It is innovative because of its inclusion of the vulnerable youth population, which is a major factor of urban violence in Medellín. It ensures a balance between physical and social investment. It establishes new forms of interaction between local authorities and communities, through horizontal relationships in which the decisions of the community are fully supported by local government entities. Among the achievements of this holistic programme are the commitments of the communities themselves and their identification with the programme. This has ensured its sustainability and the opening of channels of communication and participation in areas which were closed to the city police force.

163. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to promote more determined action against urban crime and violence, particularly violence against women, children and the elderly, through a coordinated response at all levels, in accordance, as appropriate, with integrated crime prevention action plans. These plans might include a diagnostic survey of crime phenomena, the identification of all the relevant actors in crime prevention and the fight against crime, the establishment of consultation mechanisms for the design of a coherent strategy and the elaboration of possible solutions to these problems. Delegations further resolved to seriously address the challenges posed by wars, conflicts, refugees and human-made disasters on human settlements, and committed themselves, through enhanced international cooperation mechanisms, to supporting post-conflict and post-disaster countries, with special emphasis on the provision of shelter and other basic services, particularly to

vulnerable groups, refugees and internally displaced persons, as well as to facilitating the restoration of security of tenure and property rights.

E. A sustainable approach to urbanization

> "...There is a sense of great opportunity and hope that a new world can be built in which economic development and environmental protection as interdependent and mutually reinforcing components of sustainable development can be realized through solidarity and cooperation within and between countries and through effective partnerships at all level." (Habitat Agenda, preamble, para. 1).

The territorial dimension of sustainable human settlements development

164. Globalization has always existed; everything is related to everything else. Thriving civilizations were destroyed because precarious balances between the natural and human-made environments were broken. Today, the whole world is subject to the effect of human actions that know no boundaries and whose effects over time are unknown. Since 1996, the threat of human activity to the ecological stability of planet Earth has become more apparent. Only a few years ago, it was questioned whether greenhouse gas emissions were the primary cause of permanent modifications of the earth's climate. Today, the question is how much can be done and how quickly to minimize the irreversible damage caused by growing carbon dioxide emissions. The territorial dimension of sustainable human settlements development has been seen primarily as an "ecological footprint", defined as the impact of urban agglomerations far beyond their own administrative boundaries in terms of environmental disruption and consumption of natural resources. The fallacy of the ecological footprint paradigm lies, however, in its one-way definition (cities as predators). As the Habitat Agenda itself suggests, urban settlements hold a promise for human development and protection of the world's natural resources through their ability to support large numbers of people, while limiting their impact on the natural environment.

165. Theory and experience since Habitat II has confirmed that sustainable human settlements development has to be seen, first of all, in territorial terms. The effects of unsustainable urban lifestyles, land uses and production patterns are well documented. But examples also abound of effects of poor territorial planning and management well beyond urban boundaries, whose impact adversely affects both urban and rural areas. Hydroelectric power is one of the cleanest form of energy available but its supply can be curtailed by deforestation of water catchment areas. Desertification creates environmental refugees, whose only alternative is migration to the city in search of economic survival. The sustainable future of cities is inextricably linked to rural areas. The lessons learned since Istanbul assign a sense of priority to one of the commitments of the Habitat Agenda — promoting the optimal use of productive land in urban and rural areas and protecting fragile ecosystems through developing and supporting the implementation of improved land management practices that deal comprehensively with potentially competing land requirements for agriculture, industry, transport, urban development, green spaces, protected areas and other vital needs.

Safeguarding against natural disasters

166. Intensification of severe climatic events attributed to global warming has increased the need for early warning and mitigation measures. This area demands national and international coordination since prevention, mitigation, rehabilitation, relocation and post-disaster reconstruction go well beyond the boundaries and capacities of local authorities. In this regard, Governments should pay particular attention to cities and other human settlements in critical natural environments, such as arid and semi-arid areas, with the purpose of providing assistance and support for their development. At the second session of the Commission acting as the preparatory committee, governmental delegations committed themselves to improving prevention, preparedness, mitigation and response capacities with the contribution of national and international cooperation networks, in order to reduce the vulnerability of human settlements from natural and human-made disasters and to implement effective post-disaster programmes for affected human settlements, aimed, inter alia, at meeting immediate needs, reducing future disaster risks and making rebuilt human settlements accessible for all.

Urbanization patterns

167. Both the Habitat Agenda and Agenda 21 recommend the promotion of geographically balanced settlement structures and of small and intermediate-sized cities. Despite obvious difficulties, the promotion of balanced settlements systems remains a priority for sustainable human settlements development. Favourable new factors are the rapid spread of communications technology and the establishment of high-technology activities in smaller urban centres that combine efficiency with lower costs of living, safety and favourable environmental conditions.

Towards the sustainable city

168. Experience over the last 10 years shows that this is not an impossible task. Ten or 15 years ago, the much-acclaimed example of Curitiba could have been dismissed as a meteor, without a discernible past or a secure future. Neither assumption is valid. The successes of Curitiba's integrated planning and management approach, including sustainable transport, pro-poor policies and environmental amenity, are rooted in an enlightened city plan devised in the 1960s and have now developed a foundation going well beyond the efforts of the elected city leader who turned it into a success story and popularized it worldwide. Curitiba has successfully established a win-win style of governance based on the support and involvement of its citizens, a holistic view of its future, a commonly shared belief in environmental values, and the realization that well invested resources in better infrastructure, social services, housing and public spaces attract additional investment and resources and benefit directly the poor. There are many cities around the world — Barcelona, Chengdu, Chennai, Colombo, Concepción, Dar es Salaam, Katowice, Ibadan, Ismailia, Shenyang — which have embraced a deliberate and participatory sustainable development policy. The challenge is to multiply their successful experience far and wide.

Box 13

Promoting environmentally sustainable urban development, United Republic of Tanzania

The need for urban development plans which take into consideration the environment in the attainment of the objectives of the 1998 national strategies on poverty alleviation led the Government of the United Republic of Tanzania to establish a national programme for promoting environmentally sustainable urban development. The programme, which evolved from the successful Sustainable Dar es Salaam Programme has assisted 12 municipalities across the country and the city of Mwanza in improving service delivery through environmental planning and management, which is a broad-based, bottom-up, multisectoral and participatory approach. This process has facilitated the establishment of partnerships and cooperation between public and private sectors and communities. The improved delivery of services, especially to poor communities, has greatly contributed to realization of the objectives of the national poverty alleviation programme. Poor community members are empowered and sensitized through information and knowledge-sharing to know their rights and ways of contributing to the process of improving their living conditions in a sustainable manner. The physical results include the city development strategy for the City of Dar es Salaam and institutional capacity-building in 9 regional centres.

169. The most intensive experiment in environmentally sustainable urban policy is the local Agenda 21 approach. In fact, hundreds of local Agenda 21s adopted by local authorities in North America and large parts of Europe are the most visible embodiment of Agenda 21 and its sustainable approach to human settlements development. Many of them adopt an integrated planning and management strategy that incorporates environmental sustainability. The question is not the label — whether local Agenda 21s or local plans of action advocated in the Habitat Agenda — but the diffusion of integrated, sustainable planning, development and management strategies to all regions of the world, taking advantage of the consolidation of pioneering experience, city-to-city cooperation opportunities and linkages between sustainable urban development and the commitments taken at the United Nations Conference on Environment and Development.

The urban poor and the sustainability paradigm

170. Sustainability depends on the harmonization of environmental, social and economic imperatives, but environmental protection and poverty reduction are considered to be the two ends of a wide policy spectrum. It is also common to regard the environmental agenda as the primary concern of the North and the poverty agenda as that of the South.

Box 14
Stockholm as an example of sustainable urban development

The city of Stockholm, is growing rapidly due to the development of the information technology and bio-medical industries. A comprehensive approach to sustainable city development focuses on the effective management of the city's environment. To avoid urban sprawl, growth is accommodated through land use changes within the existing urban structure, where former industrial and harbour areas are redeveloped into mixed (residential and commercial) neighbourhoods. These redeveloped areas surround the inner city and are well connected by tramway. To preserve the living environment as well as the social and historic qualities of the city, "bio-top and socio-top" mapping is used to define parks and green areas as well as areas for human activity. To enhance cohesion in an ethnically and socially diverse city, all urban planning is done through broad-based discussion among many stakeholders, including residents, through public meetings and exhibitions. The collaboration for sustainable urban development has extended to include the municipalities and cities in the Stockholm — Malar region.

171. This split reflects different levels of consumption and production of regions and countries. Rich countries, according to this interpretation, seek to defend their lifestyles and current prosperity, and are interested only in the economies and environments of poorer countries in terms of their impact on the global environment. Developing countries are accused of being oblivious to the long-term environmental future of the planet and resisting voluntary environmental protection measures that imperil prospects for their sustainable economic growth. Global environmental threats have been the ones to capture the attention of the world media. As mentioned before, these threats are real and are bound to have a long-term impact on all human beings. But it is rare to hear a similar plea in defence of the more than one billion urban poor, both in the North and South. In the words of the Secretary-General:

> "Cities are often described as cradles of civilization and sources of cultural and economic renaissance, but for the roughly one third of the developing world's urban population that lives in extreme poverty, they are anything but that. Most of these urban poor have no option but to find housing in squalid and unsafe squatter settlements or slums". (see A/54/2000, para.134)

172. The World Summit for Social Development and its Programme of Action have confirmed that the poor should be placed at the centre of the sustainability paradigm. First of all, their survival strategies are based on levels of consumption that should put members of affluent societies to shame. There can be no meaningful global sustainability agenda as long as such a large portion of humanity is condemned to live in abject circumstances. The improvement of the living conditions of the world's urban poor and their participation in a new people-centred style of governance are the core concern of the Habitat Agenda. No other task is more pressing for the sustainable future of human development.

173. At the second session of the Commission acting as the preparatory committee, governmental delegations saw the implementation of the Habitat Agenda as an integral part of the overall fight for the eradication of poverty. The implementation of the Habitat Agenda and pursuit of sustainable development are intimately linked and interdependent, and human settlements development is a key factor for sustainable development. The World Summit for Sustainable Development to be held in Johannesburg in 2002 will provide a good opportunity to further pursue and intensify this relationship. Delegations have committed themselves to intensifying efforts to improve sustainable environmental planning and management practices and to promote sustainable production and consumption patterns in human settlements in all countries, in particular in industrialized countries. Integrated approaches addressing social, economic and environmental issues should be undertaken more systematically at all levels. Agenda 21 and local Agenda 21 initiatives provide important inputs to this process. Delegations have reiterated the need to integrate the local Agenda 21 process, as mentioned above, into the plan of action for the implementation of the Habitat Agenda. The aims, policies and strategies of both agendas should be harmonized in order to promote sustainable urban planning and management.

V. New leading partners: local authorities

174. At Istanbul, local authorities and their associations were identified as the closest partners of Governments in the implementation of the Habitat Agenda and the realization of sustainable urban development and equitable economic growth (see para. 12 of the Istanbul Declaration on Human Settlements). In the years since then, cities and local authorities have taken up this challenge and role with enthusiasm.

175. The post-Habitat II process has been characterized by a flowering of initiatives of individual cities in all regions to develop further key normative and operational aspects of the Habitat Agenda. Chapter IV, section D, subsections 2 and 3 of the Agenda, on decentralization and strengthening of local authorities and their associations/networks and popular participation and civic engagement, inspired the international conference on new partnership for action, hosted by the city of Turin in December 1998. In July 2000, Johannesburg hosted a major international conference on issues confronting the city at the turn of the millennium — the Urban Future Conference 2000. Dubai continued to be the global reference centre for best practices in improving the living environment, with a growing number of cities engaging in best practice events — notably Shenyang, host of the 2000 Technical Advisory Meeting on best practices, and Chengdu, host of the 2000 International Conference on Best Practices. Cape Town was the site of the September 2000 meeting of the Urban Environment Forum, an international network of cities and development partners for environmental management, providing another example of the activism of post-apartheid South African cities in international cooperation. Rio de Janeiro and Fukuoka continued to provide substantive support to Habitat technical cooperation activities in Latin America and Asia. Mumbai took the initiative in July 2000 in hosting the launch of the Global Campaign for Secure Tenure, designed to support strategically the implementation of the shelter component of the Habitat Agenda. Västerås, Sweden, hosted an expert group meeting in November 2000 on the theme "Urbanization and the international

community", which provided important inputs to the preparation of the present report. Finally, in 1999-2000, regional consultations on the proposed world charter of local self-government, an international framework to implement the Habitat II commitments to decentralization and local democracy, were hosted by Accra, Agadir, Chonju City (Republic of Korea), Kathmandu, Mumbai and Santiago de Chile.

176. City-based initiatives in support of the Habitat Agenda since 1996 have a common feature of partnership with national Governments and the international community and a strong concern for quality of life and a sustainable future in an urbanizing world. The best example of this concern is Urban 21, a global conference on the urban future held in Berlin from 4 to 7 July 2000. Organized by Germany, in cooperation with the partner countries of the Global Initiative for Sustainable Development (Brazil, Singapore and South Africa) and preceded by preparatory conferences in Essen, Pretoria, Rio de Janeiro and Singapore, the conference recognized that the future of humanity lies in cities. It gathered an impressive number of mayors and world celebrities to focus on urban issues, and focused the world's attention on cities and practical solutions for their sustainable future at the intersection of the Habitat Agenda and Agenda 21.

A. New guiding principles

177. On the conceptual level, a number of new developments since Habitat II have exercised considerable influence on the formulation of policy, in turn raising the profile and importance of cities and local authorities for sustainable development. The most significant of these new concepts that have gained wide currency since 1996 is that of subsidiarity. Not widely discussed at the time of Habitat II, although referred to implicitly in paragraph 177 of the Habitat Agenda, the principle of subsidiarity stipulates that decisions should be taken and services delivered at the most local level of government consistent with the nature of the decisions and services involved. This principle seeks to guarantee accountability and efficiency in delivery. Subsidiarity is not seen as a hierarchical principle in which local government is the lowest and therefore least important level of government. Rather, it is leading to a new form of partnership among the spheres of government (national, provincial, local), designed to secure effective integrated decision-making. This concept of cooperating spheres of government is particularly pertinent in relation to all of the major issues facing our cities and human settlements, such as employment creation, social inclusion, improvement of the environment, urban policy and rural development. None of these key issues can be solved by a single level of government — all spheres need to make their relevant contribution in a real partnership. In its resolution 18/11, the Commission on Human Settlements recognized this principle as a guide for decentralization policies.

178. The emergence of subsidiarity as the main political justification and organizing principle for decentralization policies in the post-Habitat II period has to be appreciated within the context of the continuing emphasis on the deepening of democratic reform in a number of countries and moves to provide greater flexibility to local and intermediate levels of government in terms of economic planning and decision-making. In fact, these measures are part of the ongoing process of modernizing government and administrative practices, and should provide further impetus and validity for the decentralization and local government reforms proposed

in the Habitat Agenda. Municipal reforms in every country of Latin America and policy initiatives in Africa and Asia to grant greater autonomy to local governments, including greater fiscal autonomy and revenue-raising powers, have to be understood in this light. Subsidiarity is one of the political and intellectual arguments in favour of these processes.

179. Subsidiarity cannot be wholly separated from the principles underlying global economic liberalization. These principles argue for the role of central Government as enabler and regulator. They also promote greater local autonomy, participation in decision-making and individual responsibility as opposed to collective rights. Local government increasingly acts as a community leader and catalyst, bringing together local actors in partnerships for development and acting as an advocate for the local community. Subsidiarity, bringing government closer to the people, is also a tenet of the draft world charter of local self-government, an initiative of international and regional associations of local authorities gathered under the World Association of Cities and Local Authorities Coordination (WACLAC) umbrella. Habitat has worked to advance the commitment of Governments at Istanbul with regard to decentralization, local democracy and good local governance with a view to achieving a consensus under the auspices of the United Nations.

180. Work on a potential world charter has been the subject of consultations among local authorities and their associations from some 100 countries and 50 national Governments. Although some countries have expressed reservations because of their constitutions, the European Charter has been ratified now by over 40 countries and provides an established international precedent for such an initiative. Local government, through WACLAC, hopes to maintain a dialogue with the Commission on Human Settlements in order to reach consensus on the role and content of the proposed charter or other alternative concepts. In its resolution 18/11, the Commission on Human Settlements requested the Executive Director of Habitat to intensify dialogue among Governments at all levels and Habitat partners, initially through the Committee of Permanent Representatives and other appropriate means, on all issues related to effective decentralization and the strengthening of local authorities, including principles and, as appropriate, legal frameworks, in support of the implementation of the Habitat Agenda. The Commission called upon the Executive Director to make this dialogue as open-ended and inclusive as feasible.

181. Another political priority, which has emerged since 1996 and moved local authorities and cities to centre stage, is the emphasis on effectiveness, transparency and accountability as sine qua non conditions for good governance. This has resulted in greater attention being paid to the accountable and transparent governance of cities and human settlements, as prerequisites for sustainable and equitable development and poverty eradication. Good governance as a major urban policy priority is a new development going hand-in-hand with open discussion of corruption as a principal cause of weak economic growth in many developing countries.

182. Programmes and policies to induce accountable and transparent urban governance have emphasized the participation of civil society and community groups and the strengthening of the local political process. This has given local urban programmes a political flavour since Habitat II, with less emphasis than earlier on technical issues. Good local governance is a major requirement for sustainable urban development. In most countries, it is still too early to judge

whether governance programmes will succeed given the need for medium-term remedial action and financial support.

Box 15

City development strategy for Lyon in the third millennium

Lyon metropolitan area or *communauté urbaine* (55 municipalities, 1,200,000 inhabitants) launched in 1997 the preparation of a city development strategy entitled "Millénaire 3". This involved three years of intensive debate, thematic working groups and multiple partnerships. A permanent consultative body was created, the Council for the Development of Lyon Agglomeration, which is the main forum for participative democracy, supported by all political parties. The Council includes 400 representatives of partner groups. In September 2000, the city strategy was adopted, identifying "twenty-one priorities for the twenty-first century" and a new vision for the city. The annual budget allocated to this consultative process amounts to one million euros, to be compared to the annual budget of the *communauté urbaine* of one billion euros. At the international level, Lyon is an active member of Eurocities, particularly involved in the working group on development strategies for European metropolitan areas. It has hosted in recent years a number of international conferences on urbanization issues.

183. Democratic local government can potentially release more resources but political decentralization is clearly not enough. It must be accompanied by financial decentralization and the equitable distribution of central resources. Despite the advances in new approaches to local government the shift of power to local authorities remains unfinished. Financial and regulatory autonomy has been identified as a primary goal to complement political decentralization in countries as diverse as Albania, Colombia, India, Indonesia, Kenya, Poland, the Republic of Korea and South Africa. In keeping with greater financial autonomy and improved access to finance institutions, a number of cities have made some progress in improving financial management, the latter emerging as a prerequisite for greater financial autonomy. There has been a noted improvement, for example, in tax collection in a number of cities in the developing countries.

B. Partnerships for local development

184. The narrowness of the financial and human resource base in many cities, especially in the least developed countries, continues to be a primary obstacle to dynamic local human settlements development and effective management. Overcoming this obstacle requires emphasis on partnerships for capacity-building between local government and partners, including city-to-city cooperation and a strong relationship between local government and civil society organizations in such areas as infrastructure development shelter and other services. The past few years have seen successful pioneering efforts, such as the municipal infrastructure programme in South Africa, the municipal development programme in the

Philippines and the community institute lending programme in Guatemala. The private sector, especially for financing infrastructure, is an important local partner. Experience has also shown that general prescriptions for human settlements development must be adapted to local conditions and must be supported by a network of partnerships and regulations in order to be successful. This fundamental understanding must guide policy in future. At the second session of the Commission acting as the preparatory committee, governmental delegations resolved to intensify efforts to enhance the role of youth and civil society, and to increase cooperation with parliamentarians in human settlements development.

C. International networks

185. Habitat II was the starting point for strengthening and consolidating the international role of cities and local authorities. This process started with the First World Assembly of Cities and Local Authorities, held in Istanbul prior to Habitat II. The Assembly led to the creation of WACLAC, which is now an efficient mechanism enabling cities and local authorities to speak with one voice in all international forums. The dialogue established at Habitat II between world associations of cities and local authorities also set the stage for increased synergies and cooperation. The world congress of the International Union of Local Authorities and the United Towns Organization, to be held in Rio de Janeiro in 2001, may result in the unification of those two major organizations. Regional cooperation among cities has also intensified since Habitat II, with notable new activism in Africa. The Africities network, supported by various donors, met in Windhoek in May 2000. Discussion focused on decentralization as a priority for municipal reform and local sustainable development on the African continent. As Africities evolves, it will forge a close working relationship with the Commission on Human Settlements. National city associations, especially those of Canada and the Netherlands, have continued to sponsor direct technical assistance, especially in Africa. Finally, WACLAC will convene on 6 May 2001 in Rio de Janeiro the Second World Assembly of Cities and Local Authorities, to follow the historic first global meeting of cities held at Habitat II.

D. Cities and the United Nations

186. Since Habitat II, relations between cities and local authorities and their organizations and the United Nations system have strengthened. The new element in the relationship between cities and the United Nations is the United Nations Advisory Committee of Local Authorities. The Commission on Human Settlements, in its resolution 17/18, established this advisory body to strengthen the role of cities and local authorities in the implementation of the Habitat Agenda. For the first time, an intergovernmental body of the United Nations has officially recognized a need to establish a relationship with cities and local authorities. In keeping with the mandate of the Commission, the Committee was established in January 2000 in Venice, and held its second and third meetings in Nairobi, in conjunction with the first and second sessions of the Commission acting as the preparatory committee. The fourth meeting of the Advisory Committee will be held in New York on 5 June 2001.

187. The Committee's advisory role covers several aspects of the implementation of the Habitat Agenda. On the strength of its unique membership (individual mayors

and presidents of global and regional associations of cities and local authorities chosen with particular regard to gender and geographical distribution, representing all regions of the world), it brings to the United Nations a vast and diverse experience in shelter and sustainable urban development policy and management. This experience is invaluable in supporting the Centre's normative and operational work and in identifying future challenges of urbanization and appropriate solutions tested in the real world. The Committee has expanded the range and impact of the Habitat Agenda implementation process. As United Nations special advisers, the members of the Committee bring the message of the United Nations to new audiences and forums. This role has already been recognized by the Commission acting as the preparatory committee itself and by the Secretary-General in his inaugural address in July 2000 to the World Conference on the Urban Future (Urban 21).

Box 16
Barcelona's sustainable economic transformation and decentralization

The city of Barcelona serves a metropolitan region of 4.2 million inhabitants. Over the last three decades, the city has undergone profound economic transformation, with a shift from the industrial sector to the service sector as the main source of employment. To tackle the challenges of rapid transformation while maintaining social cohesion and an acceptable quality of urban life has been a major focus of economic development strategies. The Industrial Agreement for the Metropolitan Area has been negotiated through consultation and consensus-building among all stakeholders. The city has been decentralized into 10 districts to bring administration closer to the citizens, improve efficiency and quality of services and establish mechanisms for citizen-municipal government consultation. The mayor of Barcelona is the current president of Metropolis, WACLAC and the United Nations Advisory Committee of Local Authorities.

188. The unprecedented strengthening of the relationship between local authorities and the United Nations since Habitat II also poses an institutional question. As remarked by the Secretary-General in paragraph 16 of his report on the implementation of the Habitat Agenda, a further focus of the special session will be on the legal status of partners and their international associations in the United Nations system, in particular to assure their participation in the work of the Commission on Human Settlements (see A/53/267). As mentioned above, a first step has been made with regard to local authorities and their associations with the constitution of the Advisory Committee of Local Authorities. The legitimate aspiration of local authorities, in their capacity as democratically elected leaders, is to gain — not independently but under the aegis of the United Nations — a formal recognition of their role and proven contribution to the realization of the goals embodied by the United Nations. This is an ambitious goal, but one in full harmony with the course of action for United Nations reform introduced by the Secretary-General, bringing the United Nations closer to the people. It is hoped that the

General Assembly at the special session will provide an opportunity for advancing towards this goal.

189. At the second session of the Commission acting as the preparatory committee, governmental delegations recognized that the overall thrust of the new strategic vision of Habitat and its emphasis on the Global Campaign on Secure Tenure and the Global Campaign on Urban Governance are strategic points of entry for the effective implementation of the Habitat Agenda, especially for guiding international cooperation on adequate shelter for all and sustainable human settlements development. In this regard, they welcomed the establishment of the Advisory Committee of Local Authorities and expressed their appreciation for its contributions to the work of Habitat and the preparation of the special session of the General Assembly. They further resolved to empower local authorities, non-governmental organizations and other Habitat Agenda partners, within the legal framework and according to the conditions of each country, to play a more effective role in shelter provision and in sustainable human settlements development. This can be achieved through effective decentralization, where appropriate, of responsibilities, policy management, decision-making authority and sufficient resources, where possible including the decentralization of revenue collection authority to local authorities, through participation and local democracy as well as through international cooperation and partnerships. In particular, the effective role of women in decision-making in local authorities should be ensured, if necessary through appropriate mechanisms.

VI. International cooperation

A. Policy priorities of the United Nations system

190. International funding for human settlements programmes in official development assistance has not increased since 1996. There is a contradiction between diminishing assistance and growing interest of donors in the urban sector and areas emphasized in the Habitat Agenda — strengthening of local authorities, capacity-building, technology transfers, information exchanges and involvement of civil society. At the second session of the Commission acting as the preparatory committee, governmental delegations recognized that domestic resource mobilization as well as sound national policies are crucial for financing shelter and human settlements. Although Governments have the primary responsibility for the implementation of the Habitat Agenda, international support is also essential. Delegations regretted that international cooperation in shelter and human settlements development has not been enhanced significantly since 1996, which is a growing cause for concern. They also regretted that many countries have been unable to make sufficient use of market mechanisms in support of their financial needs for shelter and human settlements development. The current review reiterates the importance of international cooperation in the light of globalization and world interdependence. Cities are facing a dual challenge — creating the conditions for attracting investment and generating employment in the competitive global environment and supporting the efforts of the poor to participate in the social and economic life of the city as recognized and legitimate actors. Most cities in developing countries need international support. Governments, the United Nations and other international organizations need to strengthen the quality and consistency

of their support to poverty eradication and sustainable human settlements development, in particular to the least developed countries. This in turn requires not only renewed political will, but also the mobilization and allocation of new and additional resources at both the national and international levels. Delegations urged the strengthening of international assistance to developing countries in their efforts to alleviate poverty, including by creating an enabling environment that would facilitate the integration of developing countries into the world economy, improving their market access, facilitating the flow of financial resources, and implementing fully and effectively all initiatives already launched regarding debt relief. The Habitat Agenda invited the United Nations system to strengthen programmes in order to make contribution towards the goals set in Istanbul. Further, the Secretary-General was requested at Habitat II to include the Habitat Agenda in the mandate of the inter-agency task forces of the Administrative Committee on Coordination in order to facilitate integrated and coordinated implementation of the agreed action plan. However, few specific mechanisms were foreseen by the international community in 1996 for systematically reviewing the role and contributions by the relevant United Nations organizations and agencies. As a result, the commitments made in Istanbul by United Nations organizations and bodies, as well as their specific efforts in that direction over the years, did not benefit from a systematic and system-wide review to ensure focus, complementarity, monitoring and assessment. Faced with an ever-increasing complexity of providing system-wide and focused action to a growing number of international agendas in the field of social and economic development during the last decade, the Secretary-General established executive committees to coordinate international cooperation. Both the United Nations Development Group (UNDG) and the Executive Committee on Economic and Social Affairs have looked at shelter and social services, urbanization, the role of local government and the focus on civil society in implementing global development agendas.

191. Being the last in the series of global development agendas, the implementation of the Habitat Agenda points to the importance of addressing sectoral and cross-cutting issues through coordinated action at the local level, and within the framework of an enabling approach towards improving living conditions in human settlements. Under the overriding goal of tackling poverty eradication from the human settlements perspective, primarily at the local level, the role and activities of the United Nations system and of international cooperation in implementing the commitments and plan of action of the Habitat Agenda is gaining momentum. The global commitments made at Istanbul to adequate shelter for all and sustainable human settlements development in an urbanizing world has enabled the United Nations system to globalize/mainstream these goals and place them in the overall framework of poverty eradication, social justice and sustainable urban development. Resulting from this process, strategic partnerships with the World Bank are emerging. Furthermore, the heavily indebted poor countries (HIPCs) now have a range of opportunities to incorporate the Habitat Agenda goals of adequate shelter for all and sustainable urban development into the poverty reduction and growth facility offered by the Bretton Woods institutions. The challenge is that human settlements action in pursuit of the Habitat Agenda goals needs to be placed into the broader context of urban poverty reduction and sustainable development, which would allow for the assessment of activities by the United Nations system from a cross-cutting rather than a sectoral perspective.

B. Urbanization: a global issue requiring a global response

192. Urbanization is not just a question of rural-urban migration but represents a complex social, economic and environmental transformation of lifestyles. The implications of this transformation and multiple interlinkages with economic growth, social development and environmental management have been noted by the United Nations system. The recognition by donors of the significance of urbanization as a framework for coordinated action is expressed in the formulation of programmes that call for partnership at local levels. Local Agendas 21, local Habitat Agendas, urban poverty programmes and programmes in support of creating systems of good urban governance are examples of a broader global response by the United Nations system to the commitments made at Istanbul. However, coordination of global and local action remains coincidental rather than systematic. The lessons from experience have, however, shown that urbanization and its impact on world poverty is a matter of pressing concern and that the international community must organize itself to address these issues. As a result, interest in Habitat and the Habitat Agenda has been renewed. There has been a concerted effort to strengthen the capacity of Habitat to enable it to take forward the Habitat Agenda, with a strategic focus on urban poverty. A fundamental reform process, supported by a number of donors (including the Department for International Development of the United Kingdom Government) is enabling Habitat to strengthen its core role of monitoring the implementation of the Habitat Agenda and becoming the global United Nations centre for disseminating good policy and practice in urban development, governance and management. Recommendations issued by regional preparatory meetings, notably by the regional meeting for Africa, strongly confirmed this orientation. Experience has shown that urbanization is a matter of pressing concern and that the international community must organize itself to address these issues. The reform process is helping to strengthen cooperation and support for the implementation of the Habitat Agenda through improved international cooperation and closer links with local government and civil society.

193. Several donors, including the World Bank, the Asian Development Bank and the European Union, have been reshaping their urban strategies. There are remarkable parallels in the way in which these international organizations are approaching the challenge. The World Bank urban and local government strategy is concerned with ensuring that countries and their population, including the poor, extract the most benefits from urbanization. It places emphasis on developing liveable, competitive, well governed, well managed and bankable cities, within the context of national comprehensive development frameworks and national poverty reduction strategies. These will provide a view on the contribution of the urban system within the macroeconomy. The European Union has concentrated on developing guidelines for international assistance on sustainable urban development. Similarly, the Asian Development Bank strategy focuses on infrastructure and services, transport and housing, complemented by capacity-building and policy reform work at the city and national levels, to support decentralization measures designed to improve the management and performance of services and service providers. The Swiss Agency for Development and Cooperation, the United States Agency for International Development and the Canadian International Development Agency have developed similar strategies.

194. The universal trend towards action plans at the local level and devolution of responsibilities to local government and civil society point to the increasing importance of well managed cities and new forms of urban governance. As noted by the Secretary-General in his comprehensive report on the implementation of the outcome of the World Summit for Social Development (see A/AC.253/13-E/CN.5/2000/2) urbanization has become a critical factor influencing poverty reduction, social integration, local democracy and human rights.

195. Several new international initiatives have been established recently, including the Cities Alliance, which was jointly launched by Habitat and the World Bank in May 1999. It is an expanding partnership of international associations of local authorities, multilateral institutions and bilateral development agencies committed to a new approach to urban development and to supporting the initiatives of the poor. The "Vision statement" of the Cities Alliance was adopted by the Consultative Group in Montreal in June 2000. The two principal Cities Alliance activities have been designed to contribute directly to the implementation of the Habitat Agenda: slum upgrading activities contribute to the implementation of the goal of adequate shelter for all, and development strategies contribute to the implementation of the goal of sustainable urban development. Moreover, these activities are also designed to operationalize, respectively, Habitat's Global Campaign for Secure Tenure and Global Campaign on Urban Governance. Co-chaired by Habitat and the World Bank, the Consultative Group of Cities Alliance includes bilateral support agencies, international associations of local authorities and, since 2001, the Chair of the Commission on Human Settlements. Cities Alliance activities linked to the Habitat Global Campaigns are being implemented in Nigeria, South Africa, Cambodia, Indonesia, the Philippines and India. Activities are also under way in Kenya, Madagascar, Mauritania, Rwanda, China, Bangladesh, Nepal, Pakistan, Viet Nam, Bulgaria, Brazil, El Salvador, Morocco and Egypt. At the Millennium Summit of the United Nations, held in 2000, heads of State and representatives of Government endorsed the goal of the Alliance's "Cities without slums action plan" to achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020. In its resolution 55/195, the General Assembly welcomed the launching of the Cities Alliance and requested the Executive Director of Habitat to take a leadership and coordinating role in this initiative. It also requested the Executive Director to report to it at its special session on the Cities Alliance initiative, including on its contribution to the implementation of the Habitat Agenda. A progress report of the Executive Director on the Cities Alliance is therefore before the Assembly at the special session (A/S-25/3/Add.1).

196. At the second session of the Commission acting as the preparatory committee, governmental delegations reiterated that international cooperation takes on an added significance and importance in the light of recent trends towards increased globalization and interdependence of the world economy. There is a need for all States to exert political will and take specific action at the international level, including among cities, to inspire, encourage and strengthen existing and innovative forms of cooperation and partnership, coordination at all levels and increased investment from all sources, including the private sector, in order to contribute effectively to the improvement of shelter conditions, especially in developing countries.

C. The potential for coordinated international cooperation

197. Parallel to the focus on local action in the context of urban governance, the liberalization of international trade and globalization pose enormous challenges to poverty reduction. Urbanization has great potential for promoting democracy and the involvement of civil society.

198. A number of efforts have been undertaken by United Nations organizations and bodies since 1996 to address the Habitat Agenda, identify emerging issues and include in their work programmes such human settlements issues as urban governance, capacity-building for local development, urban poverty reduction, gender and development, and improved service delivery at the local level. Where these development topics coincide with cross-cutting issues of other international development agendas, the human settlements goals of the Habitat Agenda have a better chance of finding their way into being incorporated into the overall policy orientation of international cooperation. Nevertheless, more systematic initiatives for coordinating globally emerging trends are needed, as well as more effective strategies of ensuring complementarity of action within the framework of urbanization. Moreover, such interlinked and complementary action must be experienced by civil society stakeholders at the local level in a more visible manner.

199. Recent initiatives of the United Nations system to involve civil society, particularly local government associations, non-governmental organizations, parliamentarians, private sector representatives and academic institutions, need to be intensified. They have considerable potential to make the work of the United Nations organizations more visible and meaningful at the local level, and to make a difference to the life of people. Financial resources for implementing the action plan of the Habitat Agenda on a sectoral basis, i.e., for human settlements or housing programmes, remain extremely limited. Prospects for enhanced availability of international finance are closely linked to overall progress in the implementation of poverty reduction strategies as the basis of renewed financial assistance to developing countries, as well as outcomes of current initiatives to reduce or cancel the debt of heavily indebted poor countries. Increased attention needs to be paid to improving the coordination of international aid programmes, particularly as regards the overall impact on reducing urban poverty of such strategies as the comprehensive development framework, the United Nations Development Assistance Framework (UNDAF) for operational activities, country strategy papers, and national poverty strategy papers prepared by Governments in collaboration with the International Monetary Fund and the World Bank. There is still no mechanism to ensure the review and integration of Habitat Agenda action plans for international cooperation into these existing strategy frameworks. Almost five years after Habitat II, it appears that efforts of Habitat to disseminate guidelines to the system of United Nations resident coordinators and introduce human settlements issues into UNDAF, as well as the system-wide comprehensive development strategies, have met with only limited success.

200. Financial resources for implementing the Habitat Agenda remain extremely limited. There is still no mechanism to ensure the review and integration of Habitat Agenda action plans for international cooperation.

D. Building on the results of the substantive session of 2000 of the Economic and Social Council

201. The above considerations do not imply that implementation of the Habitat Agenda is ignored by the international community. The Economic and Social Council has requested the United Nations bodies and agencies, in particular the Executive Committee of UNDG, to undertake a review of the follow-up of their commitments to implementing the goals of the Habitat Agenda, as part of the Habitat Agenda review process in 2001. The Council also requested the Secretary-General to review the matter of the participation of Habitat in all aspects of the work of the Administrative Committee on Coordination and its subsidiary machinery in the light of its focal point role in the United Nations system for implementing the Habitat Agenda. The Council requested the Secretary-General to consider adopting a Habitat Agenda task manager system to facilitate coordinated implementation of the Habitat Agenda by the United Nations. The Council noted the proposed establishment of an urban forum of agencies engaged in urbanization as a platform for the exchange of ideas and the sharing of experience.[5] The Council also took note of the formation of the Advisory Committee of Local Authorities, which was established to advise Habitat on the role of local authorities in the implementation of the Habitat Agenda, and emphasized the particular significance of the commitments of the Habitat Agenda with regard to cross-cutting issues, such as sustainable human settlements, urban poverty, gender and involvement of civil society, and recommended their inclusion in future segments of the Council. Finally, the Council welcomed the decision by the Commission acting as the preparatory committee to discuss a declaration on the role of cities and human settlements in the new millennium, to be adopted by the General Assembly at the special session in June 2001.

202. At the second session of the Commission acting as the preparatory committee, governmental delegations reconfirmed the role of the Commission on Human Settlements and Habitat in advocating, promoting, monitoring and assessing progress made in implementing the goals of adequate shelter for all through providing legal security of tenure and sustainable human settlements development in all countries; in combining best practices, enabling policies and compiling legislation and action plans for identifying illustrative cities for the two Global Campaigns; and in further advancing the normative debate and operational action on major human settlements issues, inter alia, by timely and regular publication of global flagship reports. Governments also supported the establishment of the Habitat Agenda task manager system, designed to allow better monitoring and mutual reinforcement of actions undertaken by international agencies in support of the implementation of the Habitat Agenda. On this basis, the Secretary-General has taken steps, through the Administrative Committee on Coordination machinery, to establish the Habitat Agenda task manager system.

Notes

[1] The Habitat Agenda contains only seven brief references to globalization. Today globalization is at the centre of the world's debate on development. The Millennium Report (A/54/2000) devotes its first substantive chapter to globalization and governance.

[2] See Habitat, *Third Global Report on Human Settlements* (June 2001).

[3] The commitment was incorporated by the Commission acting as the preparatory committee at its second session in the draft declaration on cities and human settlements in the new millennium. Governmental delegations resolved to intensify efforts at the international and national levels against HIV/AIDS, in particular to formulate and implement appropriate policies and actions to address the impact of HIV/AIDS on human settlements. They recognized the problem of gaining access to financial resources for housing by HIV/AIDS victims and the need for shelter solutions to accommodate HIV/AIDS victims, especially orphans and the terminally ill.

[4] See United States Department of Housing and Urban Development, *State of United States Cities 2000 Report*.

[5] The first meeting of the urban forum is scheduled to be held in Nairobi in May 2002.